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January 19, 2022

The Honorable Delores G. Kelley
Chair, Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401

      RE: Senate Bill 167 - Maryland Insurance Administration - Enforcement Authority - Payment of Claims
           UNFAVORABLE

Dear Chair Kelley, Senator Young and Members of the Senate Finance Committee,

Our client, the Insurance Agents and Brokers of Maryland (IA&B), is a trade association comprised of nearly 200 independent agencies, employing between 1,000 and 2,000 licensed Maryland insurance producers, which are located in and doing business throughout the State of Maryland and surrounding states.

IA&B wishes to register its opposition to Senate Bill 167.

IA&B acknowledges and supports the role of the Maryland Insurance Administration (MIA) in enforcing the provisions of the Maryland Insurance Article. IA&B members provide counsel and support to their insureds, when appropriate, and seeks the assistance of the MIA when compliance issues arise.

The Association believes that SB 167 would move the Agency into the uncharted territory of claims handling for typical property and casualty insurance claims. We believe that such participation by the MIA is not necessary. For example, Maryland has, for many years, enforced the provisions of the Unfair Claims Settlement Practices Act. In addition, the Agency is often called upon to rule on whether certain insurer practices may violate other provisions of the Insurance Article. These provisions, together with MIA enforcement actions, provide ample protection to Maryland insurance consumers on claims issues, and regulatory authority in this area does not need to be expanded.

For these reasons, IA&B respectfully requests an unfavorable report on SB 167.

Thank you for your consideration.

Very truly yours,

Bryson F. Popham

cc: Members of the Senate Finance Committee