

Testimony of
American Property Casualty Insurance Association (APCIA)
Senate Judicial Proceedings Committee
SB 954 -Corporations and Associations - Transparency - Beneficial Ownership
March 6, 2024

Support with Amendments

The American Property Casualty Insurance Association (APCIA) is a national trade organization representing nearly 60 percent of the U.S. property casualty insurance market. Our members write approximately 67.1 percent of all property and casualty insurance sold in Maryland. APCIA appreciates the opportunity to provide written comments regarding Senate Bill 954 and ask the committee to consider amendments. This bill would require certain business entities to file with the State Department of Assessments and Taxation a report including certain information regarding beneficial owners of the entities; and prohibiting the inspection of the reports in certain circumstances.

The federal [Corporate Transparency Act \(CTA\)](#) and Bureau of Insurance (BOI) Rule require certain entities to file reports with FinCEN identifying and providing information about their beneficial owners and applicants. This unprecedented collection of information by the government is intended to curtail the deliberate misuse of legal entities and deter illicit financial activity and national security threats that result therefrom. The BOI Rule includes 23 categories of exemptions from the definition of “reporting company” from the CTA for entities already generally subject to substantial United States federal or state regulation under which beneficial ownership may be known. These exemptions include, among others, banks, **insurance companies**, public companies registered with the Securities and Exchange Commission, broker-dealers, certain investment funds, investment advisers and pooled investment vehicles, certain tax-exempt entities, subsidiaries of certain exempt entities, and a category of “large operating companies.”

Insurance companies are already highly regulated by the Maryland Insurance Administration with financial reporting standardized by the National Association of Insurance Commissioners. APCIA requests that insurance companies be accorded the same exemption as provided in the CTA as follows:

Amendment 1

On line 2, page 3 after **ARTICLE** delete (.) and add (;) **AND INSURER AS DEFINED IN § 1–101 OF THE INSURANCE ARTICLE.**

With this amendment, the APCIA urges the Committee to provide a favorable report on Senate Bill 954.

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