

Bryson F. Popham, P.A.

Bryson F. Popham, Esq.

191 Main Street
Suite 310
Annapolis, MD 21401
www.papalaw.com

410-268-6871 (Telephone)
443-458-0444 (Facsimile)

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The Honorable William C. Smith, Jr.
Chairman, Senate Judicial Proceedings Committee
2 East, Miller Senate Office Building
Annapolis, Maryland 21401

RE: Amendments to Senate Bill 954 - Corporations and Associations - Transparency - Beneficial Ownership
FAVORABLE W/AMENDMENT

Dear Chairman Smith and Members of the Committee,

Our client, the Insurance Agents and Brokers of Maryland (IA&B), is a trade association comprised of nearly 200 independent agencies, employing approximately 1,800 licensed Maryland insurance producers, which are located in and doing business throughout the State of Maryland and surrounding states.

IA&B wishes to note the current uncertainty surrounding the federal Corporate Transparency Act (CTA), and especially the enforcement questions arising after a federal court declared the CTA unconstitutional. Senate Bill 954 is closely aligned to the CTA.

Equally important to the 42,000 licensed insurance producers in Maryland and nearly 3,000 corporate entities that may hold such licenses, IA&B further notes an extensive regulatory regime for the conduct of insurance producers, all under the authority of the Maryland Insurance Administration (MIA). The fundamental purpose of Senate Bill 954 – to identify individual owners of certain business entities – is already regulated and enforced by the MIA. Therefore, the additional filing requirements under this legislation will be both costly and duplicative. For those reasons, IA&B respectfully requests an exemption from the application of Senate Bill 954 to licensed insurance producers in the State.

A proposed amendment is attached for the Committee's review.

Very truly yours,



Bryson F. Popham

Enclosure

By: Senator _____

AMENDMENT TO Senate Bill 954
(First Reading File Copy)

Amendment No. 1:

On page 3, in line 1, after "INCLUDE" insert:

"AN INSURER LICENSED IN THE STATE, OR"

Rationale:

Insurance producers are extensively regulated in Maryland by the Office of the Insurance Commissioner, and the information sought under Senate Bill 954 should be available from the Maryland Insurance Administration (MIA).

The fundamental purpose of Senate Bill 954 – to identify individual owners of certain business entities – is already regulated and enforced by the MIA. Therefore, the additional filing requirements under this legislation will be both costly and duplicative.