



March 7, 2024

The Honorable Venessa E. Atterbeary  
House Ways and Means Committee  
Room 131, House Office Building  
Annapolis, Maryland 21401

RE: House Bill 1515 - Sales and Use Tax - Rate Reduction and Services - UNFAVORABLE

Dear Chair Atterbeary and Members of the Committee,

On behalf of the National Association of Benefits Insurance Professionals of Maryland (NABIP MD), I wish to express our opposition to House Bill 1515.

NABIP MD (formerly Maryland Association of Health Underwriters - MAHU) is a trade association comprised of several hundred licensed health insurance producers in Maryland who represent both businesses and individuals in analyzing their need for health insurance and advising clients on health insurance coverage and benefits. NABIP MD members have traditionally served as the representatives for small and medium-sized businesses in the negotiation of health benefit plans for the employees of those businesses.

While NABIP MD shares the opinion of other insurance producer organizations who oppose this legislation because Maryland already imposes a premium tax on insurance transactions, there is an additional reason for our opposition. Some NABIP MD members, as a result of the interaction of State and federal law in the provision of employer health plans to our small business clients, necessarily charge fees for certain services. The imposition of a sales tax on those services would operate simply to increase the employer's health insurance costs. This is coming at a time of unprecedented inflationary pressure on both health care costs and health insurance premiums.

NABIP MD supports other advocates who have recommended that the State conduct a thorough study of this issue before moving ahead with legislation such as House Bill 1515. Accordingly, we respectfully request an unfavorable report on this bill.

Very truly yours,

A handwritten signature in black ink that reads "Nancy Colaianne". The signature is written in a cursive, flowing style.

Nancy Colaianne, President, NABIP MD

cc: Bryson F. Popham