



March 17, 2026

The Honorable Heather Bagnall
Chair, House Health Committee
240 Taylor House Office Building
Annapolis, Maryland 21401

RE: Senate Bill 1472 - Better Small Business Employee Benefit Act of 2026 - UNFAVORABLE

Dear Chair Bagnall and Members of the Committee,

My name is Glenn Arrington, principal agent and owner of Group Benefit Strategies, LLC in the heart of Bel Air, MD. In Harford County. I started my Health and Life insurance career with MAMSI Optimum Choice in July of 1994 when MD went through a Health Care Reform bill providing guarantee issued policies to small groups in MD 2-50 employees in July of 1994. I have been an independent Agency owner for 20 years representing 250 small employers, 15 large employers, and 350 individuals and 200 Medicare individual clients in MD.

I'm on the board of HCCC legislative committee, Cecil County Government Relations Committee, and on the small group MHC advisory committee. And was on the small group work study bill the previous year researching potential subsidies for small group companies. So, I feel I have a good grip on the industry of MD small group and its citizens in Maryland to have competitive health insurance options in MD.

Additionally, my agency is a channel partner with several PEO's for large employer group 51+ full time equivalent employees currently with some major payroll vendors. We can offer this total bundled Human Resource Information System (HRIS) systems for these larger organizations. Large employers can go through underwriting individually or use these types of products with HRIS systems and PEO's.

However, I do not feel House Bill 1472 is a good solution for small employers for the reasons below.

- 1) If PEOs are allowed into the Maryland small group market, competitive premiums in the Maryland small group market (which are "guaranteed issue") may not be able to sustain itself. With the current members of 225,000 lives insured, carriers currently have a hard enough time keeping premiums competitive.

PEO's underwrite the small group employees then place them, in some cases, in a fully insured large co-employer master plan and therefore gain control of healthy small groups. I am concerned that, should Maryland allow PEOs into our unique small group market, the carriers will not be able to sustain competitive premiums with PEO's – and that the PEOs will, therefore, eventually pull out the healthy groups from the pool.

- 2) Transparency – The PEO's bundle many services into one total universal master plan which

includes – (payroll, health, dental, vision, disability, HR, WC, Risk management, Safety, and compliance) all in one administrative price. Therefore, the client, and we as the broker do not have full access to the cost of all of these services separately.

- 3) Quality of Service – Once an agent refers a small group client to the PEO, that agent is no longer the broker of record. This change causes major disruptions in the quality of service, as the small group client is forced to deal with an unknown individual who may not be able to service the client in the same way that the original broker of record served them over many years.
- 4) Bundling and unbundling the total package – Should the small group employer want to return to the Maryland small group market, it is next to impossible to unbundle the pieces of benefits or to even know how much the premiums are in order to compare pricing.

For these reasons I respectfully request an unfavorable report on House Bill 1472.

Sincerely,
Glenn Arrington

GBS, LLC