

Bryson F. Popham, P.A.

Bryson F. Popham, Esq.

191 Main Street
Suite 310
Annapolis, MD 21401

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

www.papalaw.com

February 13, 2020

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

RE: SB 217 - Labor and Employment - Wage History and Wage Range – Opposed

Dear Chairman Kelley,

I am writing on behalf of the Maryland Association of Mutual Insurance Companies (MAMIC) in opposition to SB 217 – Labor and Employment - Wage History and Wage Range.

MAMIC is comprised of ten mutual insurance companies that are headquartered in Maryland and neighboring states. Approximately one-half of MAMIC members are domiciled in Maryland, and are key contributors and employers in their local communities. Together, MAMIC members offer a wide variety of insurance products and services and provide coverage for thousands of Maryland citizens.

As mutual insurers, MAMIC members are owned entirely by their policyholders, and any profits earned are either retained by the company or returned to policyholders in the form of dividends. By contrast, stock insurers are owned by shareholders. Profits generated by a stock insurer are distributed to investors who may or may not have a policy of insurance with the company.

Although some mutual insurance companies may be large organizations, MAMIC members tend to be small businesses. They are important members of the business community in Maryland towns and cities from Frederick and Hagerstown to Baltimore City. As small businesses, they need flexibility in the process of hiring employees. In addition, rapid changes in the insurance industry are particularly challenging for smaller insurers like MAMIC members. These are major factors that MAMIC members face in meeting their need to find and offer employment to qualified individuals.

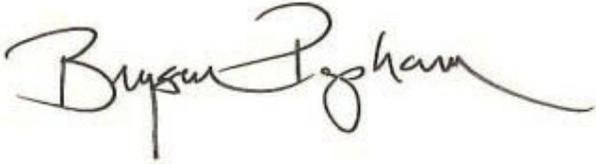
As drafted, Senate Bill 217 presents some specific, significant burdens when seeking to hire employees. The insurance industry is highly competitive, and MAMIC members must compete with other, larger, well-financed insurers for experienced employees. Requiring MAMIC members to provide a “wage range” simply invites another insurer to outbid the MAMIC member. While we offer other values to employees, the bill’s disclosure requirement implies that the most important employee benefit is wages. MAMIC members offer other benefits, and it is potentially harmful to require the employment process to focus solely on wages, as contemplated by Senate Bill 217.

We also note that the terms “wage range” and “position” are undefined in SB 217. In a small insurer like a typical MAMIC member, employees may perform multiple duties and conceivably hold multiple positions. On occasion, when a highly qualified applicant approaches a MAMIC member, employment may be offered and a completely new role created. SB 217 does not contemplate that possibility.

Finally, the list of prohibited activities in SB 217, together with the remedies for engaging in that conduct, seem wholly out of proportion to the offenses set forth in the bill. MAMIC members are concerned that the language of the bill could lead to a substantial volume of employment litigation, however unintended that result may be by the sponsors of the bill.

In short, MAMIC members believe that SB 217, if enacted, would place a heavy burden on the small employers that comprise MAMIC membership. Moreover, MAMIC members do not believe that the bill would provide any tangible benefit to those seeking employment from our members. For these reasons, MAMIC respectfully requests an unfavorable report on SB 217.

Very truly yours,

A handwritten signature in black ink that reads "Bryson Popham". The signature is written in a cursive style with a long, sweeping tail on the letter "m".

Bryson F. Popham

cc: Joan Smith