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February 22, 2021

The Honorable Delores G. Kelley, Chair  
Senate Finance Committee  
3 East, Miller Senate Office Building  
Annapolis, Maryland 21401

RE: Senate Bill 621 - Association Health Coverage Plans – Opposed

Dear Chair Kelley, Senator Edwards and Members of the Committee,

I am writing in opposition to Senate Bill 621 on behalf of our clients, the Maryland Association of Health Underwriters (MAHU), the National Association of Insurance and Financial Advisors of Maryland (NAIFA MD) and Insurance Agents and Brokers of Maryland (IA&B).

Our clients are comprised of hundreds of individuals and firms doing business in Maryland, each of whom has one or more Maryland insurance producer licenses. Many of these entities and individuals provide health insurance to small employers throughout Maryland.

This issue is not new to the Committee. Since the original enactment of Small Group Reform in 1993, under which a small group health insurance market was created for employer groups with 2 to 50 employees, there have been periodic efforts to carve out certain interest groups from the application of the law. One such example may be found on page 3, lines 6-7, which addresses the issue of professional employer organizations.

Seeking exemption from the application of the law to other groups, such as associations, would give an unfair advantage to associations and create a potentially large, undefined exception to Maryland's treatment of small employer groups, subverting an approach that has been in effect for nearly 30 years.

Our clients have worked consistently with the members of the General Assembly who have always recognized the need for rational rules of engagement in the small group market that are clear and defensible. The stability of the small group market in Maryland today is evidence that the market is working. Creating exceptions to eligibility in that market would, at this point, be potentially harmful to the entire small group market.

For these reasons, our clients listed above, and each of them, respectfully request an unfavorable report on Senate Bill 621.

Very truly yours,



Bryson F. Popham, Esq.

cc: The Honorable George C. Edwards  
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