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STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
PEOPLE'S INSURANCE COUNSEL DIVISION

March 4, 2024

TO: The Honorable William C. Smith, Jr.
Chair, Judicial Proceedings Committee

FROM: Dorianne A. Meloy, Counsel
People's Insurance Counsel Division

Re: SB 1036 – Corrections - Task Force on the Creation of a Division of Returning Citizens and Expanded Reentry Services - Establishment (FWA)

The People's Insurance Counsel Division of the Office of the Attorney General (the "Division") supports with amendments Senate Bill 1036 sponsored by Senator West.

The Division reviews medical professional liability and homeowners' insurance matters before the Maryland Insurance Commissioner on behalf of Maryland consumers. As part of its legislative mandate, the Division may recommend to the General Assembly legislation on any matter that the Division considers would promote the interests of insurance consumers. See, SG Article 6-307(d).

This bill establishes a task force to report on the creation of a division of returning citizens within the Department of Public Safety and Correctional Services and to develop a plan to expand services for individuals after release from incarceration. One of the areas of proposed expanded services is housing.

Barriers for Maryland consumers for housing may include their ability or inability to obtain homeowners/renters' insurance. The definition of eligible/ineligible persons can impact returning citizens' ability to obtain housing. Maryland prohibits unfair discrimination in underwriting. See,

Md Insurance Article 27-501. In the case of homeowner's insurance, standards reasonably related to an insurer's economic and business purpose do not require statistical validation for convictions: within the preceding 5-year period of arson or within the preceding 3-year period of a crime which directly increases the hazard insured against. See, Md Insurance Article 27-501(j)(i) and (iv).

One of the challenges facing individuals upon reentry to society is available housing. The ability to own and maintain a home either as an owner or renter is a step towards economic independence, stability and generational wealth. Many property management companies require renters to maintain renter's insurance. The inability to qualify for affordable homeowners' or renters' insurance impacts a basic life necessity - housing.

The bill establishes task force members. The Division recommends that the Attorney General of Maryland, or the designee of the Attorney General be a task force member. Additionally, the Division recommends that a member of the Maryland Equitable Justice Collaborative (MEJC) be added as a task force member without a need for the appointment to be made by the Governor of Maryland. MEJC is a collaborative partnership launched by Maryland's Attorney General and the Public Defender to address mass incarceration. The one representative would be appointed by MEJC's co-chairs, the Attorney General of Maryland and the Public Defender. Alternatively, the representative member of MEJC appointed to the task force be the Governor would be a member recommended by MEJC's co-chairs.

A task force established to consider barriers to housing for returning citizens would benefit Maryland consumers.

For these reasons, the Division requests the Judicial Proceedings Committee issue a favorable report with amendments.

Cc: Senator Chris West
Members, Judicial Proceedings Committee

By: Dorianne A. Meloy, Counsel
People's Insurance Counsel Division of the Office of the Attorney General of Maryland

Proposed Amendments to Senate Bill 1036
(First Reading File Bill)

Amendment No. 1:

On page 2, after line 3, insert "(9) the Attorney General of Maryland, or his designee; and (10) one representative of the Maryland Equitable Justice Collaborative to be appointed by the co-chairs of the Maryland Equitable Justice Collaborative; and"

Amendment No. 2:

On page 2, line 4, strike "(9)", and substitute (11)"

Amendment No. 3:

On page 2, in lines 17 and 18, strike "one representative of the Maryland Equitable Justice Collaborative;"

Amendment No. 4:

On page 2, at line 19, strike "(x)", and substitute "(ix)"

On page 2, at line 21, strike "(xi)", and substitute "(x)"

On page 2, at line 22, strike "(xii)", and substitute "(xi)"