

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 413 (Delegate Leopold)

Economic Matters

Condominiums - Insurance Coverage - Policy Provisions

This bill requires property and comprehensive general liability insurance policies maintained by the council of unit owners of a condominium to contain provisions providing that in cases of negligence by the unit owner of a property for which there is a loss, the council's policies are secondary.

Fiscal Summary

State Effect: None. The bill would not directly affect State finances or operations.

Local Effect: None.

Small Business Effect: Potential minimal effect on small businesses.

Fiscal Analysis

Small Business Effect: This bill shifts exposure from the council of unit owners of a condominium to the unit owner in cases where the unit owner is negligent. Thus, while councils of unit owners may experience a minimal decrease in insurance premiums, unit owners may experience a corresponding increase.

Information Source(s): Secretary of State's Office, Maryland Insurance Administration,
Department of Legislative Services

Fiscal Note History: First Reader - February 9, 1998

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