

Chapter 742

(House Bill 1514)

AN ACT concerning

Real Property – Condominiums – Cancellation of Insurance

FOR the purpose of altering the procedure for cancellation of certain property and casualty insurance that must be maintained by the council of unit owners of a condominium; providing for the application of this Act; and generally relating to cancellation of insurance maintained by the council of unit owners of a condominium.

BY repealing and reenacting, without amendments,
Article – Real Property
Section 11–114(a)
Annotated Code of Maryland
(2003 Replacement Volume and 2009 Supplement)

BY repealing and reenacting, with amendments,
Article – Real Property
Section 11–114(f)
Annotated Code of Maryland
(2003 Replacement Volume and 2009 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Real Property

11–114.

(a) Commencing not later than the time of the first conveyance of a unit to a person other than the developer, the council of unit owners shall maintain, to the extent reasonably available:

(1) Property insurance on the common elements and units, exclusive of improvements and betterments installed in units by unit owners other than the developer, insuring against those risks of direct physical loss commonly insured against, in amounts determined by the council of unit owners but not less than any amounts specified in the declaration or bylaws; and

(2) Comprehensive general liability insurance, including medical payments insurance, in an amount determined by the council of unit owners, but not

less than any amount specified in the declaration or bylaws, covering occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the common elements.

(f) **(1)** An insurer that has issued an insurance policy under this section shall issue certificates or memoranda of insurance to the council of unit owners and, upon request, to any unit owner, mortgagee, or beneficiary under a deed of trust. [The insurance may not be canceled until 30 days after the notice of the proposed cancellation has been mailed to the council of unit owners, each unit owner and each mortgagee to whom certificates of insurance have been issued.]

(2) AN INSURER MAY CANCEL AN INSURANCE POLICY ISSUED UNDER THIS SECTION IN ACCORDANCE WITH § 27-603 OF THE INSURANCE ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all policies of property and casualty insurance issued, delivered, or renewed in the State on or after October 1, 2010.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2010.

Approved by the Governor, May 20, 2010.