

Department of Legislative Services  
Maryland General Assembly  
2025 Session

FISCAL AND POLICY NOTE  
Enrolled - Revised

House Bill 1148  
Economic Matters

(Delegate Wivell, *et al.*)

Finance

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Residential Condominium Unit Insurance - Lapses in Coverage - Prohibition on Denial

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This bill prohibits an insurer from refusing to issue a residential condominium insurance policy based solely on a prior lapse in coverage of the applicant if the lapse in coverage was due to an insurer's withdrawal from the market and other conditions are met. Specifically, the lapse in coverage cannot have been for more than 90 days, and the applicant must provide certain documentation as may be required by the insurer, if applicable. The bill applies to new residential condominium unit insurance policies issued on or after January 1, 2026.

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Fiscal Summary

**State Effect:** The bill is not anticipated to materially affect State government operations or finances.

**Local Effect:** The bill is not anticipated to materially affect local government operations or finances.

**Small Business Effect:** Potential minimal.

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Analysis

**Current Law:** The Maryland Insurance Administration (MIA) and the Insurance Commissioner's statutory and regulatory duties include, among other things, certifying insurers to operate in the State, reviewing and approving the rates and forms used by insurers, and licensing and certifying insurance professionals. MIA and the Commissioner have broad authority to enforce the requirements and prohibitions that apply to insurers

and insurance professionals. For example, depending on the type of violation and following the administrative processes required by Insurance Law and regulations, the Commissioner is authorized to issue orders directing insurers or insurance professionals to take certain actions, impose administrative penalties, and suspend or revoke certifications and/or licenses.

The Insurance Article expressly prohibits certain insurer practices and activities as unfair trade practices. One such practice is that, with respect to any type of insurance, an insurer may not *cancel or refuse to provide or renew coverage* for a reason based wholly or partly on race, color, creed, sex, or blindness of an applicant or policyholder or for any arbitrary capricious, or unfairly discriminatory reason.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Maryland Insurance Administration; Department of Legislative Services

**Fiscal Note History:** First Reader - February 17, 2025  
km/rld Third Reader - March 26, 2025  
Revised - Amendment(s) - March 26, 2025  
Enrolled - May 2, 2025  
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Analysis by: Kayvon Samadani

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510