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THE SENATE OF MARYLAND
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**SB345: Homeowner's Insurance -
Weather-Related Claims and Notice of Cancellation or Nonrenewal
Senate Finance Committee
Wednesday, February 12, 2020, 1:00 PM**

We buy insurance to protect ourselves financially from circumstances we cannot predict or control. However, current Maryland law allows an insurance company to cancel or drop a homeowner's policy if he or she makes three weather-related claims within three years. These are claims due to damage from a storm, wind, hail, lightning, ice, or fallen trees; these are **not** claims due to flooding, which are subject to federal flood insurance. It's important to note that these weather claims were not the fault of the resident; rather they were due to unpreventable damage.

Penalizing homeowners for multiple strokes of bad luck with weather-related damage is unfair. Such cancellations and non-renewals are likely to happen more often in the future, as climate change is making extreme weather events more frequent in Maryland and around the world.

SB345 prohibits insurance carriers from canceling a person's homeowner insurance because of weather-related claims that they couldn't have prevented. In the event of a policy cancellation, this bill would require insurance carriers to provide written notice to policyholders of their right to appeal the decision to the Maryland Insurance Commissioner.

New Jersey enacted similar legislation in 1999, which has not significantly impacted homeowners' insurance rates. There is no evidence of price hikes for policyholders or insurers leaving the market after the bill's enactment. This legislation would protect consumers who have experienced multiple instances of weather-related damage to their home and would ensure that policyholders receive the protections they purchased.

I urge a favorable report on SB345.