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**TESTIMONY OF
THE
MARYLAND INSURANCE ADMINISTRATION
BEFORE THE
SENATE JUDICIAL PROCEEDINGS COMMITTEE**

JANUARY 26, 2022

**SENATE BILL 52 - Real Property – Satisfaction of a Mortgage –
Required Homeowner’s Insurance (Cassidy’s Law)**

POSITION: LETTER OF INFORMATION

Thank you for the opportunity to provide written comments on Senate Bill 52 (SB 52).

SB 52 will require homeowners who own their home outright to purchase a homeowner’s insurance policy with personal liability coverage of at least \$100,000. The Maryland Insurance Administration (MIA) notes, however, that there is no language in the bill that establishes a mechanism for identifying homeowners who do not have a mortgage on their home.

Additionally, the MIA believes that the passage of SB 52 will have the unintended consequence of placing a new financial obligation (purchasing insurance) on the shoulders of Maryland residents who own their homes outright, but are otherwise economically challenged with respect to property taxes and meeting other basic needs. This cohort of homeowners, who are often on fixed or limited incomes, will have to add this mandated liability insurance coverage to their list of existing financial obligations.

Thank you for the opportunity to provide this letter of information. The MIA is available if we can answer any questions or provide additional insight.