



Senate Bill 52 – Real Property- Satisfaction of a Mortgage- Required Homeowners Insurance

Position: Oppose

The Maryland REALTORS® is a 30,000-member professional trade organization and we have concerns over SB 52. We appreciate the Senator’s intent to provide safe housing. However, we are concerned that the bill will impact some residential property owners who are struggling with housing affordability.

SB 52, as drafted, would increase the cost of housing for almost 400,000 Maryland property owners and has potential to pose burdens for some. According to the American Communities Standard, over 27% of Maryland property owners currently do not have an existing mortgage. Within this group, we typically find it includes seniors who live on fixed incomes without additional financial means.

While we agree that it would be better if all homeowners carried insurance to protect themselves, their families, and others, not all homeowners have the income to afford it. Four out of ten homes in Maryland are in ALICE- one emergency away from potential homelessness and financial vulnerability according to the Maryland United Way. A recent Washington Post article noted the rising price of homeowners insurance across the country. Homeowners renewing their policies have found that rising material costs, supply chain disruptions and climate change are combining “to drive premiums up by an average 4 percent to an average annual premium of \$1,398, according to the Insurance Information Institute (Triple-I). Since 2017, premium rates are up 11.4 percent on average, which means they are *rising faster than inflation.*”

Currently, there is no national precedent of requiring homeowner’s insurance after satisfaction of mortgage, in fact, we could find no state had passed similar legislation in part because of the financial burdens placed on the existing property owners.

According to the Triple-I data, **Maryland experienced a 13.4 percent increase from 2017 to 2020.**

The Maryland REALTORS® would like to continue the dialogue on private property owners protecting both their community and their own financial investments. We agree that carrying insurance makes sense for all homeowners but remain concerned about homeowners struggling with current costs meeting the demands of the bill.

Finally, if the Committee decides to move this legislation forward, it is important the legislation recognizes that some home policies exclude coverage for dog bites.

The Maryland REALTORS® request an unfavorable report.

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