

BRIAN E. FROSH
Attorney General

ELIZABETH F. HARRIS
Chief Deputy Attorney General

CAROLYN QUATTROCKI
Deputy Attorney General



WILLIAM D. GRUHN
Chief
Consumer Protection Division

Writer's Fax No.

STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

Writer's Direct Dial No.

410-576-7942
kstraughn@oag.state.md.us
Fax: 410-576-7040

February 3, 2022

To: The Honorable William C. Smith, Jr.
Chair, Judicial Proceedings Committee

From: Karen S. Straughn
Consumer Protection Division

Re: Senate Bill 65 – Cooperative Housing Corporations and Condominium Associations –
Evidence of Insurance (SUPPORT WITH AMENDMENT)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of Senate Bill 65 submitted by Senator Benjamin F. Kramer with the attached amendment. This bill provides that the governing documents of a cooperative housing corporation may require that the member maintain insurance and, if insurance is required, also require the member to provide evidence of that insurance to the association upon request. The bill also expands the annual requirement for unit owners in condominium associations that require insurance to provide evidence of that insurance, to also include providing evidence upon request of the association. We recommend amending the bill to state that the only type of insurance required is liability insurance.

Due to the shared interests between association members and a cooperative housing corporation, the cooperative has an interest in ensuring that the member maintains liability insurance on the property in which they reside. Should an association member be negligent, resulting in damages to another, liability insurance would not only protect the member, but would provide protection against a lawsuit being filed against the association solely due to there being no other viable source of recovery.

The bill as written requires insurance but does not specify what types of insurance must be maintained. By limiting the bill to liability insurance, it protects against an association requiring property insurance in which the association has no interest, or any other form of insurance in which the association does not have a vested interest. Accordingly, we recommend amending the bill to reflect that the only insurance that can be mandated is liability insurance.

SB 65 Support Letter with Amendments
February 3, 2022
Page 2

For these reasons, we ask that the Judicial Proceedings Committee return a favorable report on this bill with the amendment.

cc: The Honorable Benjamin F. Kramer
Members, Judicial Proceedings Committee

AMENDMENT TO SB 65 (2022)

Amendment 1

On page 2, line 12 – Insert “liability” after member

Amendment 2

On page 2, line 16 – Insert “liability” before insurance

Amendment 3

On page 2, line 22 – Insert “liability” after owner

Amendment 4

On page 2, line 24 – Insert “liability” before insurance