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January 25, 2022

The Honorable William C. Smith, Jr.
2 East, Miller Senate Office Building
Annapolis, Maryland 21401

RE: Senate Bill 52 - Real Property - Satisfaction of a Mortgage - Required Homeowner's Insurance (Cassidy's Law)
Unfavorable

Dear Chairman Smith and Members of the Senate Judicial Proceedings Committee,

I am writing on behalf of the Maryland Association of Mutual Insurance Companies (MAMIC) in opposition to SB 52 Real Property - Satisfaction of a Mortgage - Required Homeowner's Insurance (Cassidy's Law).

MAMIC is comprised of 12 mutual insurance companies that are headquartered both in Maryland and in neighboring states. Together, MAMIC members offer a wide variety of homeowners and other insurance products, both personal and commercial, for thousands of Maryland citizens.

Our client wishes to acknowledge Senator Jackson's desire to address the unfortunate events that gave rise to the introduction of Senate Bill 52. His desire to address this issue on behalf of his constituent and the young woman who suffered great physical harm in the incident is understandable, and we applaud his effort.

Respectfully, MAMIC suggests a different approach than the proposal set forth in Senate Bill 52, and we illustrate the need for that approach with several comments from the insurers that comprise MAMIC membership.

- How would compliance with Senate Bill 52 be conducted and assured? While there is a compulsory automobile insurance law in Maryland, there is no equivalent requirement for the owners of residential properties. Ascertaining insurance coverage, as well as the continuation or renewal of that coverage over time, would be a challenge.
- How would rental properties be treated under the bill? Even a compliance regimen that could effectively guarantee that the substantial majority of owner-occupied structures have liability insurance coverage may not be effective upon the rental of a property, especially if a landlord is relying upon a tenant to secure the necessary insurance coverage.
- While \$100,000 is offered under Senate Bill 52 as a reasonable amount of liability insurance coverage, it may be inadequate or, in some cases, excessive.
- Senate Bill 52 requires homeowner's insurance coverage, although it does not require the owner to occupy the property. Standard homeowners insurance policies require owner occupancy to be eligible for coverage.

MAMIC, through its representatives, has worked with Senator Jackson on this issue and wishes to continue assisting his effort to address this situation. Accordingly, MAMIC suggests that a study be conducted by the Maryland Insurance Administration, and perhaps other State agencies, to examine the problem. MAMIC pledges its support in this effort.

Very truly yours,

A handwritten signature in black ink, reading "Bryson Popham". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Bryson F. Popham

cc: The Honorable Michael A. Jackson