



Senate Bill 1015 – Condominiums – Mandatory Insurance Coverage – Detached Units

Position: Support

Maryland REALTORS® strongly supported 2023's HB 98/SB 403, which expanded the types of insurance coverage that are available condominiums that are developed as single-family detached properties. This legislation, developed over three sessions, provided additional choice in insurance policy structure for detached condo communities.

Unfortunately, several communities have reported that their insurance providers are cancelling existing unit coverage under the community's master policy, and instead requiring unit owners to obtain individual insurance policies.

This action was never mandated under HB 98/SB 403 and is not required under the statute as it stands today. The Attorney General's Office issued guidance on the legislation on August 28, 2023 which stated, in part, that:

"...nothing in House Bill 98 or elsewhere in State law prohibits the Council to voluntarily provide coverage for detached units in the master policy."

Further, the Maryland Insurance Administration issued both consumer and industry bulletins in the Fall of 2023 which reiterated this directive by stating:

"Nothing in the statute prevents the council from voluntarily providing coverage to the owner of a detached residential unit through a policy obtained by the council."

Nevertheless, we recognize the difficult position that residents of condominium communities have been placed in due to their insurance company's insistence to the contrary.

To the extent that this bill clarifies the existing requirements of Section 11-114 of the Real Property Article and its application to detached condominium communities, the REALTORS® recommend a favorable report on SB 1015.

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