



Senate Bill 725 – Real Property – Residential Leases – Renter’s Insurance Requirement

Position: Favorable with Amendment

Maryland REALTORS® supports SB 725 with changes to ensure that landlords may still be added as an additional insured for liability protection regarding claims caused by the tenant and eliminating the requirement that landlords acquire the insurance for the tenant.

SB 725 would require tenants to maintain a renter’s insurance policy covering the tenant’s personal property. The REALTORS® and its property manager members believe this is an important requirement for tenants who could face difficult financial losses from tragedies like fires, water damage, theft, etc.

However, the REALTORS® believe that a landlord should not be prohibited from requesting to be added/listed as an additional insured. The additional insured endorsement extends liability insurance coverage beyond the named insured to include the landlord. The purpose of the additional insured endorsement is to keep the burden of risk closest to those parties most likely to create losses. Of course, a property owner or landlord would most certainly carry their own property and liability insurance. Additional insured status provides additional protection, for example, when the actions of the tenant result in the property owner being sued for legal liability.

Finally, the landlord should not be responsible for acquiring the renter’s insurance for the tenant. The tenant best understands the nature of the tenant’s finances and insurance needs.

With these changes, the Maryland REALTORS® recommend a favorable report.

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AMENDMENT

On page 3, in line 28, strike “:” and add “FROM A PARTICULAR INSURER OR LIST OF INSURERS.”

On page 3, strike lines 29-33.

On page 4, strike lines 25-34.

