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MAJORITY WHIP

Budget and Taxation Committee

Education, Business and
Administration Subcommittee

Pensions Subcommittee

Joint Committees

Audit and Evaluation Committee

Children, Youth, and Families

Ending Homelessness

Fair Practices and
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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

SB725/HB564 - Requiring Renters Insurance
Sen. Benson's Testimony

TESTIMONY IN SUPPORT of SB-725

Good afternoon, Chairman Smith, Vice Chair Waldstreicher, and the esteem committee members

It is an honor to be before this esteemed body once again. I am here to ask for your favorable report on SB725 - Requiring Renters Insurance.

Renters insurance stands as a critical safeguard, offering coverage for personal belongings and property within the dwelling. It further extends to cover additional living expenses in the event of disasters like fires or water damage. Despite its clear advantages, a considerable portion of Maryland's renters remain unprotected, lacking this essential insurance. This bill seeks to close this coverage gap, ensuring that many more of our residents are shielded from the devastating financial impacts of unexpected catastrophes. With the cost of renters insurance averaging just \$191 annually in Maryland, it is a financially accessible means of securing one's financial well-being.

Throughout my tenure, I have encountered numerous instances where individuals, through no fault of their own, have been rendered homeless following disasters. These situations often arise from property owners' refusal to provide financial assistance, leaving tenants in dire straits. In such cases, the only recourse has been to seek temporary shelter for these individuals through personal favors or limited aid from organizations like the Red Cross, which can offer little more than nominal support. The impact is even more severe for those who find themselves indebted to landlords, as evidenced by the tragic gas explosion that led to the destruction of two buildings in Montgomery County.

The need for this legislation is made more urgent by Maryland's current state of insurance coverage. With only 67.8% of homes owned by their occupants being insured, a significant number of renters are left vulnerable. Mandating renters' insurance would not only secure tenants' belongings but also promote responsible rental practices, thereby enhancing the stability of our rental communities. Additionally, this bill aims to reduce the legal and administrative complications frequently associated with property damage in rental properties.

This legislation marks a pivotal move towards improving the safety and welfare of Maryland's renting population. It reflects our collective commitment to ensuring the protection and responsible tenancy of our residents. By requiring all renters to have comprehensive insurance coverage, we are taking a significant step towards creating a more secure and stable housing environment.

Amendments submitted in House Bill HB564

We have consulted with interested parties and proposed some changes to address their concerns. Tenants must provide the landlord with an active declaration page of their renter's insurance policy at the time of signing a lease and at lease renewal. If tenants are facing financial hardship, they can submit a request for a renters insurance waiver to the landlord when initiating or renewing their lease. **It is important to note that non-purchase of renters insurance should not be considered a breach of contract and should not lead to eviction.**

At this time, I am respectfully asking the committee for a favorable vote on Senate Bill 725