

Habitat I Section A
c/o Brodie Management Inc.
110 Old Padonia Rd, Suite 202
Cockeysville, MD 21030

January 29, 2025

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Hon. Delegate Marc Korman, Chair
Hon. Delegate Regina T. Boyce, Vice Chair\
Environment and Transportation Committee
House Office Building
Annapolis, Maryland 21401

Re: HB 449
Condominiums – Property Insurance Deductibles – Unit Owner Responsibility
Position: SUPPORT
Hearing Date: February 11, 2025 at 1 PM

Dear Chairman Korman, Vice Chair Boyce, and Committee Members:

This letter is submitted on behalf of the Board of Directors of the Habitat I Section A Condominium. Habitat I Section A Condominium is a 108-unit residential condominium consisting of 27 buildings in a 4-unit piggy-back configuration constructed between 1972 and 1974, in Crofton, Maryland.

We support HB 449. Habitat I Section A has a rule making a unit owner responsible for the council of unit owners' property insurance deductible of \$10,000, if the cause of any damage to or destruction of any portion of the condominium unit originates from that owner's unit. We experience 1 to 2 instances of damage or destruction claim(s) each year because of unit owner negligence or failure to meet owner maintenance responsibilities for elements of their condominium unit. 100% of these instances of damage or destruction, which have been determined to be the responsibility of a condominium unit owner, exceed Habitat I Section A's \$10,000 property insurance deductible.

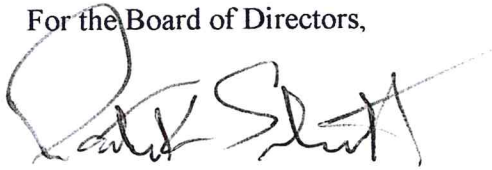
We cannot survive the economics of this situation. Habitat I Section A's property insurance premium has increased by 10 to 15% annually between 2020 and 2024. Our premium for 2025 has increased by 30%. To protect our property insurance and to control premium costs, we have self-insured several damage claims in 2023 and 2024. Bottom line, this is not sustainable for Habitat I Section A or our owners. We need urgent relief in these situations. Unit Owners must assume an increased level of financial responsibility for damage or destruction originating from their units because of unit owner negligence or failure to meet owner maintenance

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responsibilities for elements of their condominium unit. A simple water leak resulting from a frozen or burst pipe inside one of our units can cost the condominium association \$20,000 to \$30,000 and impacts the other 3 units in our building's piggy-back configuration.

For the reasons stated above, I respectfully request that the Committee give HB 449 a favorable report. I am available to answer any questions the Committee Members may have. Please feel free to contact me at 443-336-6858, or by E-mail at patrick_schmitt@hotmail.com.

For the Board of Directors,

A handwritten signature in black ink, appearing to read "Patrick Schmitt", written over a faint, larger version of the same signature.

Patrick Schmitt
Board of Directors
Habitat I Section A Condominium Association

cc: Hon. Senator Dawn Gile, D-33, dawn.gile@senate.state.md.us
Hon. Delegate Marvin Holmes, Sponsor, marvin.holmes@house.state.md.us
Hon. Delegate Stuart Michael Schmidt Jr., D-33, stuart.schmidt@house.state.md.us