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**THE SENATE OF MARYLAND**  
**ANNAPOLIS, MARYLAND 21401**

February 6, 2024

**SB446**

**Condominiums – Property Insurance Deductibles – Unit Owner Responsibility**

Good afternoon, Chair Smith, Vice Chair Waldstreicher, and Members of the Judicial Proceedings Committee,

Thank you for the opportunity to present SB 446, Condominiums – Property Insurance Deductibles – Unit Owner Responsibility. SB 446 raises the unit owners' property insurance deductible from up to \$10,000 for damages originating from their unit to up to \$25,000. This will save thousands of dollars in premium costs for both condominium building owners and unit owners.

Increasing numbers of claims for damages to buildings are raising rates on master policies. This results in higher premiums for condominium building owners, that are then passed along as higher prices for unit owners. By increasing the amount for which a unit owner may be responsible in case of building damage, overall master policy premiums can remain reasonable, because the building's master policy will not be responsible for as much of the damage repair. With this simple change, premiums can be less affected by damage to the building originating from an individual unit, which means fewer costs will be passed on to condominium owners.

This bill would not necessarily make unit owners personally responsible for paying up to \$25,000 out of pocket, as the incidences in which this deductible would be paid can be entirely covered by their own unit owner's policy. Therefore, SB 446 is only increasing unit owners' deductible in case of damage to the building originating from their units – insured under unit owner's policies – so that overall master policy premiums do not continue to rise. Condominium and unit owners will both save money, and unit owners can choose insurance that includes this deductible for damages originating in their units in their individual unit owner policies. SB 446 will positively impact condominium communities, and protect against rising premium costs.

I respectfully request a "Favorable Report" on SB 446.