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March 27, 2025

To: The Honorable William C. Smith, Jr.  
Chair, Judicial Proceedings Committee

From: Karen S. Straughn  
Consumer Protection Division

Re: House Bill 1541 – Condominiums – Mandatory Insurance Coverage (SUPPORT WITH  
AMENDMENT)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of House Bill 1541 submitted by Delegates Marvin E. Holmes, Jr. and Dana Stein, with an amendment. This bill mandates that unit owners in a residential condominium maintain insurance coverage with minimum specified limits to include loss assessment coverage and deductible coverage. If the unit owner fails to maintain such insurance, the bill further permits the association to obtain coverage for the unit owner and bill the unit owner accordingly. While we support this bill, we recommend a technical amendment to amend the word investments to improvements.

While the law does not mandate insurance for homeowners in all cases, a condominium association is unique because unit owners must blend the comfort of a private residence with shared community spaces. In the event of a loss suffered by an individual unit without insurance, financial strain on the affected owner, potential disputes among residents, and an increased burden on the association's insurance may occur. Accordingly, most association governing documents already require insurance. This bill simply codifies this requirement into law and sets forth certain minimum coverages and limits.

The Consumer Protection Division recommends, however, that on page 2, the bill be amended to change the word investments to improvements, to be consistent with general terminology used to describe the changes made by a unit owner, or previous unit owner, after the original developer.

For these reasons, we ask that the Judicial Proceedings Committee return a favorable report on this bill with the attached amendment.

cc:     The Honorable Marvin E. Holmes, Jr.  
          The Honorable Dana Stein  
          Members, Judicial Proceedings Committee

AMENDMENT TO HB 1514 (2025)

Amendment 1

On page 2, line 28, strike “investments” and add “improvements”.