

**WRITTEN TESTIMONY OF STEVE LEVEN ON HB 469 – THURSDAY FEB. 12, 2026**  
**FAVORABLE WITH AN AMENDMENT THAT IS ATTACHED HERETO**

Good afternoon Members of the Committee

My name is Steve Leven. I am a retired engineer and for over 12 years have been President and Board Chair of the 2700/2800 Stonecliff Condominium Association, Inc. We are located in Baltimore County in the Quarry Lake community.

**Condo Insurance Background – It May Not Be What You Think**

If you have not lived in a condominium and have not had damage originate in your unit for which you are responsible, chances are that you are not familiar with how insurance works under the Maryland Condominium Act.

In short, if the damage originates in a Unit the unit owner is responsible for the amount of the damage up to the maximum of the Condo Association's deductible in its master policy, with a current statutory limit of \$10,000. This limit means that if the Condo Association's deductible is \$10,000 or higher, the maximum that can be assessed against the responsible unit owner is \$10,000, regardless of how much the total cost of repair is. The Condo Association, or its insurer, is responsible for the remainder above the Condo Association's deductible.

A couple of quick examples under the current law:

1. The Condo Association's master policy deductible is \$5,000. The unit owner is responsible for a leak that originates in his unit which costs \$50,000 to repair. The unit owner can only be assessed \$5,000 and the \$45,000 balance is the responsibility (A) of the Condo Association (if the Condo Association does not file a claim with the its insurer) or (B) of the Condo Association's master policy insurer (if the Condo Association does file a claim with its insurer).
2. The Condo Association's master policy deductible is \$25,000. The unit owner is responsible for a leak that originates in his unit which costs \$50,000 to repair. The unit owner can only be assessed \$10,000 (the statutory maximum). The next \$15,000 of the \$40,000 balance is the responsibility of the Condo Association, and the remaining \$25,000 is the responsibility (A) of the Condo Association (if the Condo Association does not file a claim with the its insurer) or (B) of the Condo Association's master policy insurer (if the Condo Association does file a claim with its insurer).

Note that the statute DOES NOT PERMIT assessing a “responsible” Unit owner any greater amount<sup>1</sup>.

Since all expenses of the Condo Association, including its master insurance policy premiums, deductibles and repairs performed, are divided proportionally among all unit owners in the condominium, such sudden or increased expenses often cause either an increase in the unit owners’ monthly or annual condo fees, or a special assessment levied against each unit owner.

In one case, a nearby Condo Association’s master insurance policy’s annual premium quintupled from \$24,000 to \$120,000 over a 2 year period, causing a \$100/month per unit condo fee increase (\$1,200 per unit per year) JUST to cover the Condo Association’s increased master insurance premiums.

**What We Need: Raise The Maximum From \$10K To \$25K**

What is needed is a bill to raise the maximum amount from \$10,000 to \$25,000 in Section 11-114(g)(2)(iii)<sup>1</sup> that a unit owner who is responsible for damage can be assessed. Here is why:

- A. A change from \$10K to \$25K maximum **solves an insurance issue** that affects everyone who lives in a condominium in Maryland, as discussed above. **It is really important to increase the maximum amount for which a unit owner is responsible to \$25,000.**
- B. Many Condo Associations are forced to have a \$25,000 or larger deductible, either because policies with a \$10,000 deductible result in much higher premiums or because they cannot find an insurance company that will provide them a policy with a lower deductible.
- C. Note that premiums are common operating expenses that are shared among all unit owners in the condominium; therefore a \$20,000 (for example) premium increase for a 50-unit condominium will cost each unit owner an additional \$400 per year.
- D. It is estimated that between 75% and 95% of all condo insurable losses originate in a unit owner’s unit. Therefore, the unit owner is currently responsible for the cost of the repair up to a maximum of \$10,000. If the condominium’s master insurance policy has a deductible of \$25,000, the condominium would be responsible for up to \$15,000 before the insurance kicks in. Using our 50-unit example, that would cost each owner \$300 for each such incident.

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<sup>1</sup> Note that the amounts discussed here are SOLELY for repair and replacement to the building and the units up to the level that the developer provided to the first buyer. This does not include improvements or betterments added by any owner after the 1<sup>st</sup> sale by the developer. Also, any damage to personal property and “new” improvements or betterments, as well as loss of use expenses, would be the responsibility of each unit owner and could be covered under such unit owner’s own HO6 personal condominium policy.

- E. So, raising the maximum from \$10,000 to \$25,000 will make a big positive difference to all Condo Associations, and all condominium unit owners, in Maryland and seems like a consumer-friendly move for all concerned.

**So, Which Bill Is This?**

The Bill as shown on the House website as of today, February 10, 2026, is not the bill that CAI has told us it would be proposing, which is essentially what was discussed in last week's Senate Hearing on SB 332 that would increase the maximum assessment from \$10,000 to \$25,000.

If the bill in question is to increase the maximum assessment from \$10,000 to \$25,000, then **I am totally IN FAVOR.**

However, **I am totally OPPOSED** to HB 469 as it is shown on the House website, today, February 10, 2026. There is no reason to impose a mandatory insurance requirement on Condo Unit Owners, since the amount that the Condo Association can assess the unit owner in case damage originates in his unit is limited by statute.

Thank you for your time, and I will be willing to answer any questions you might have.