



Insurance Agents
& Brokers

March 2, 2026

Delegate Kriselda Valderrama
2 East Miller Senate Office Building
Annapolis, Maryland 21401

RE: HB 1351/SB 929 – Home Improvement Contractors- Disaster Mitigation Services- Regulation and Prohibition – FAVORABLE WITH AMENDMENTS

Dear Chair Valderrama and members of the House Economic Matters Committee:

On behalf of the Insurance Agents and Brokers of Maryland (IA&B), a trade association comprised of nearly 200 independent agencies employing approximately 1,800 Maryland insurance producers, we respectfully submit this letter of support for HB 1351 with amendments.

In the aftermath of severe weather events, homeowners are often placed in the vulnerable position of needing repairs. Unfortunately, some contractors employ deceptive, high-pressure sales tactics to coerce consumers into contractual obligations that may lead to unexpected charges and significant financial burdens. These tactics, such as offering to pay an insurance deductible, offering to help a consumer with their insurance claim, or falsely misrepresenting regular wear-and-tear as storm damage, can further mislead consumers into assuming that their insurance policy will cover the loss. When a claim is denied, homeowners may be left responsible for costs they did not anticipate.

This issue has drawn the attention of the Maryland Insurance Administration, which in 2022 issued a consumer advisory warning homeowners about dishonest roofing contractors making unsolicited offers to inspect roofs for storm damage. The Maryland Insurance Administration advises consumers not to trust unsolicited repair offers, particularly when a contractor references insurance coverage.

IA&B supports HB 1351's strengthening of consumer protections by providing homeowners five days to rescind a signed contract, affording them critical time to further review terms and make an informed decision. Additionally, IA&B supports efforts to prohibit contractors from paying an insured's deductible, regardless of whether it is done with the explicit intention of defrauding an insurer, and to prohibit contractors from negotiating a claim on behalf of a consumer, a responsibility that Maryland law wisely entrusts to a licensed insurance adjuster.

Together, these provisions create a fairer and stronger regulatory framework that protects Maryland consumers in the wake of severe weather events. For these reasons, IA&B respectfully urges a favorable report with the attached amendments on HB 1351.

Sincerely,

John Savant
Government Affairs Director



Amendments to House Bill 1351 and Senate Bill 929

By repealing and reenacting with amendments.

Article -Insurance Article

Section 27-407.2

Annotated Code of Maryland

By adding to

Article- Insurance

27-407-3

Annotated Code of Maryland

On Page 3 After Line 12 Insert:

(VI) TREE SERVICES OR REMOVAL; OR

(VII) WATER REMEDIATION SERVICES OF A BUILDING OR PART OF A BUILDING TO RESTORE, CLEAN, SANITIZE, OR RESTORE A PROPERTY TO A SAFE AND HABITABLE CONDITION

On Page 5 Lines 33 Delete line 33 and insert

AMOUNT INDICATED IN THE CONTRACT, FAIR AND REASONABLE VALUE FOR THE NECESSARY WORK PERFORMED UNDER THE HOME IMPROVEMENT CONTRACT PRIOR TO THE CANCELLATION.

On page 6 line 7 Delete Line 7 and insert

NOT TO EXCEED \$ _____ (FILL IN AMOUNT) AND _____ (OWNER INITIALS).”.

FOR THE FAIR AND REASONABLE VALUE FOR THE NECESSARY WORK PERFORMED UNDER THE HOME IMPROVEMENT CONTRACT PRIOR TO THE CANCELLATION.

On Page 6 after line 25 and before line 26 insert:

Insurance Article
27-407.2

Compensation from Contractors to Pay Any Part of Insured’s Deductible

It is a fraudulent act for a contractor offering home repair or remodeling services for damages to a private residence to directly or indirectly pay or otherwise compensate an insured, or offer or promise to pay or compensate an insured, ~~with the intent to defraud an insurer,~~ for any part of the insured's deductible under the insured's property or casualty insurance policy if payment for the services will be made from the proceeds of the policy.

27-407.3

COMPENSATION FOR REFERRAL TO A CONTRACTOR

ANY PERSON, OTHER THAN AN INSURER OR ITS AGENT THAT ADJUSTS, OR NEGOTIATES A CLAIM ON BEHALF OF AN INSURANCE CONSUMER SHALL NOT OFFER PAYMENT FOR REFERRAL TO A CONTRACTOR OR PROVIDER OF SERVICES FOR REPAIR OR REPLACEMENT OF A RESIDENTIAL STRUCTURE.