

The Maryland Condo Law, as it currently exists, places an undue burden upon the condominium community at large. It states that unit owners are responsible for the maintenance, repair, and replacement within their unit; however, there are no consequences for those who choose not to. When a resident neglects their responsibilities to upkeep their units and there is an insurance event, once they've paid their deductible, typically \$250 or \$500, their insurance policy pays the next \$10,000 and the balance is then the responsibility of the community-at-large.

Here are a few examples:

This water event was due to a leaking water heater expansion tank. A unit owner with a 14-year-old water heater refused numerous requests from the property manager to replace the water heater. Then, after mopping water around her water heater for several days, not realizing that the expansion tank was leaking, neighbors on the floors below saw water damage in their units and informed the property manager.

Another owner, 90 years old, with an original hot water heater that was 24 years old, had a leak. Overwhelmed, she called the property manager who turned off the water to her unit and called a plumber. The owner paid \$2,000 for an emergency water heater installation, but the cost to the two units below her & her own unit is much greater.

These are examples of cases of clear neglect on the part of the owners, yet they are only responsible for their deductible and the insurance covering the first \$10,000 according to the Maryland Condo Law, leaving the community with the balance.

Damage costs average \$30,000 to \$50,000, leaving the community liable for \$20,000 - \$40,000. Repair costs have increased significantly in recent years, which accentuates the problem. A water heater that costs \$1,500 - \$2,000 costs the community exponentially in their condominium dues.

Unfortunately, the current Law does not distinguish between irresponsibility and neglect of the resident and other non-unit events.

If enough claims are filed with the insurance company, it is likely they will be canceled due to the number of claims, as happened to us. Our annual premium went from \$53,000 with a \$10,000 deductible to \$200,000 with a \$50,000 deductible. We now had no recourse but to self-insure that costs every member of the condominium community with increased condominium dues.

Revising the current law to increase owners' insurance liability from the current \$10,000 to our recommendation of \$50,000 will put the responsibility of unit owner-caused events back where they belong—in the hands of the unit owner.

Thank you for your time and relieving the undue financial burden from condominium communities throughout the State of Maryland.

Respectfully,

Brenda Fried

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