



PROFESSIONAL LOSS CONSULTANTS

3903 NAYLORS LANE
BALTIMORE, MD 21208
800-423-0044
www.ggg-ai.com

House Economic Matters Committee
231 Taylor House Office Building
Annapolis, Maryland 21401

RE: HB 1351 Home Improvement Contractors - Disaster Mitigation Services - Regulation and Prohibition

March 4, 2025

Dear Chair Valderrama, and Esteemed Members of the Committee:

As a licensed Public Insurance Adjuster practicing in the State of Maryland, I respectfully submit this testimony in strong support of HB 1351, including the amendments proposed by APCIA.

Insurance policies commonly require homeowners, as a condition of coverage, to take prompt and reasonable measures to protect their property from further damage following a loss. In many cases, this necessitates engaging emergency mitigation vendors or similar contractors immediately after a catastrophic event.

While many contractors act ethically and in good faith, unfortunately not all do, and there exists a regulatory gap in Maryland that allows certain vendors performing board-up services, demolition/debris removal, temporary roofing, and other stabilization or mitigation services to operate outside the oversight of the Maryland Home Improvement Commission (MHIC). Unlike licensed home improvement contractors, these vendors are not subject to the same licensing requirements, contractual safeguards, or disciplinary oversight – despite performing construction-related services on residential structures.

In the course of adjusting claims throughout Maryland, we routinely encounter situations in which work is performed under the guise of “protecting the property from further damage,” yet the scope and cost of that work appear disproportionate to the actual needs of the property.

Examples include:

- Construction of temporary roofing systems without clear necessity, where the cost of installation substantially exceeds any realistic protective benefit.
- Deployment of excessive drying or remediation equipment in structures that ultimately require demolition rather than restoration, often accompanied by high-cost generator usage.

These practices, when employed by some vendors, can materially inflate insurance claims and provide little to no corresponding benefit to the homeowner, while directly eroding available policy limits. Homeowners, often within hours of experiencing a fire or other catastrophic event, are vulnerable and understandably focused on



securing their property. Contracts are frequently presented during moments of emotional distress, before homeowners fully understand their insurance coverage, policy limits, or the long-term financial implications of the work being authorized. Inflated emergency service invoices can significantly erode the available coverage under an insurance policy. Every dollar unnecessarily spent on front-end mitigation reduces the funds available to reconstruct the home. In many instances, this leaves homeowners financially disadvantaged when it comes time to rebuild.

When insurance carriers review these invoices and limit payment to work deemed reasonable and necessary, some vendors have made it a common business practice to initiate litigation against both the homeowner and the insurer. This practice places already distressed homeowners into adversarial legal proceedings during one of the most difficult periods of their lives and burdens Maryland's courts with disputes that could be avoided through clearer regulatory oversight and accountability.

HB 1351 addresses this regulatory gap by ensuring that vendors performing disaster mitigation and related residential services are held to the same licensing standards and consumer protection requirements as other home improvement contractors operating in Maryland. There is no policy justification for allowing companies performing these types of construction-related services on residential properties to operate outside the regulatory framework that governs comparable work.

This legislation does not restrict legitimate emergency service work. It does not burden ethical vendors who provide necessary services in good faith. Rather, it establishes accountability and parity – requiring that those performing construction-related services on residential properties meet the same licensing and oversight standards designed to protect Maryland homeowners.

Homeowners who have just experienced catastrophic loss are at their most vulnerable. They deserve the protection of a clear, enforceable regulatory framework that ensures fairness, transparency, and accountability during the recovery process.

For these reasons, I respectfully urge the Committee to provide favorable consideration to HB 1351.

Respectfully submitted,

Neal Charkatz

Executive Vice President