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**Date:** March 4, 2026

**Bill # / Title:** House Bill 1351 - Home Improvement Contractors - Disaster Mitigation Services - Regulation and Prohibition

**Committee:** House Economic Matters Committee

**Position:** Letter of Information

The Maryland Insurance Administration (MIA) appreciates the opportunity to share this Letter of Information relating to House Bill 1351.

The bill as introduced would revise § 8-101 of the Business Regulation Article to define “disaster mitigation services” and provide that the provision of residential disaster mitigation services constitutes “home improvement.” The MIA understands that the effect of these revisions would be to subject some persons who perform residential disaster mitigation services to licensure requirements and other statutory requirements that apply to home improvement contractors. These revisions fall within the purview of the Maryland Home Improvement Commission.

The bill as introduced would also add two new sections to the Business Regulation Article. These new sections would entitle a homeowner to rescind a disaster mitigation services contract within five days of entering into it, limit the payment liability of a homeowner who exercises this right of rescission to an amount specified and agreed upon in the contract, and authorize a county to impose limits on in-person solicitation of disaster victims by disaster mitigation contractors. The MIA notes that these provisions would establish new consumer protections for vulnerable homeowners in the wake of damage to their homes. The MIA does not offer a position on these provisions of the bill because they fall outside of the MIA’s purview. However, the MIA notes that these provisions do not overlap or conflict with restrictions on in-person solicitation by public adjuster or consumer protections relating to public adjuster contracts established under 2024 Maryland Laws Ch. 826 and codified at § 10-411 of the Insurance Article.

The MIA is aware of amendments that the American Property Casualty Insurance Association (APCIA) proposed in written testimony submitted to the Committee that would alter the Insurance Article. To aid the Committee in its consideration of these amendments, the MIA is sharing

information on the likely impact of the amendments. This input has also been shared with the sponsor.

The APCIA proposes that the bill amend § 27-407.2 of the Insurance Article to remove the requirement that a home repair contractor who compensates or offers to compensate an insured for any portion of the insured's deductible must do so *with intent to defraud an insurer* in order for their conduct to constitute a fraudulent insurance act. By eliminating the specific intent requirement, this proposed amendment would streamline prosecution of such conduct when perpetuated against Maryland consumers.

The APCIA also proposes that the bill add a new section to the Insurance Article. The proposed new section would prohibit any person, other than an insurer or its agent that adjusts or negotiates a claim on behalf of the insured, from offering payment for referral to a contractor for residential repair or replacement services. This proposed amendment seeks to prohibit a contractor that provides one type of service from paying another contractor that a homeowner has hired to perform another type of service in exchange for a referral. In these circumstances, a homeowner dealing with the stress of repairing their home may be vulnerable to high-pressure referral tactics and end up hiring additional contractors to provide unnecessary or over-priced services. In turn, these types of arrangements may inflate home repair costs, including costs that are ultimately covered by homeowner's insurance.

The MIA thanks the Committee for the opportunity to share this information concerning House Bill 1351, and is available to answer any follow-up questions that the Committee may have.