

Board of Directors
Leisure World Community Corporation
3701 Rossmoor Boulevard
Silver Spring, MD 20906

**TESTIMONY OF THE LEISURE WORLD COMMUNITY CORPORATION OF MARYLAND
ON APRIL2, 2026
BEFORE THE HOUSE ECONOMIC MATTERS COMMITTEE
SB 747- CONDOMINIUMS - UNIT OWNER RESPONSIBILITY FOR DAMAGE OR
DESTRUCTION AND MANDATORY INSURANCE COVERAGE**

FAVORABLE

Honorable Chair Kriselda Valderrama, Vice-Chair Lorig Charkoudian, and Members of the House Economic Matters Committee:

This testimony is being submitted on behalf of the Leisure World Community Corporation. Leisure World is a senior (55+) adult community in Silver Spring Maryland, including 27 condominiums, one cooperative housing corporation, and one homeowners' association. Leisure World communities have 5600 units with more than 8000 residents impacted by this bill.

Leisure World has 29 mutuels including 27 condominiums that are impacted by this bill.

SB 747 would raise the amount a unit owner is responsible for from \$10,000 to \$25,000 if the cause of any damage to or destruction of any portion of the condominium originates from that person's unit. It would require mandatory insurance for unit owners of condominiums and specifies the content and amounts of the insurance.

Leisure World supports both of these provisions and recognizes that with insurance unit owners are assured that they have the resources to cover any damage to a condominium for which they might be responsible.

Under current law, if units or common areas are damaged from causes such as water leaks or fires that exceed \$10,000, the condominium association is responsible for the costs. Current experience demonstrates that deductibles in master insurance policies for condominium associations far exceed \$10,000 and are likely to be in the order of \$25,000 or more. This means that if the damage is, for example, \$25,000, the condominium association is responsible for the \$15,000 above the unit owner's responsibility that is not covered by the association's master insurance policy. This difference of \$15,000 is ultimately paid by all the unit owners through their HOA fees or, if necessary, by special assessments.

If this legislation were passed, unit owners would need to raise the \$10,000 amount in their HO-6 condominium policies to \$25,000. Various insurance companies have informed us that the premiums would increase slightly in the order of \$10 a year. However, this would be far less than the average \$75 cost to unit owners to cover the \$15,000 in the example above if the condominium had 200 units ($\$15,000/200 = \75). It is not uncommon for condominiums, especially older buildings, to experience multiple leaks each year. Consequently, this legislation would be a benefit to both the condominium and unit owners by limiting their exposure.

In addition, this legislation has the potential to reduce HOA fees that would have been collected to address excess costs not covered by master insurance policies. Without this legislation HOA fees could increase especially for taller and older buildings. HOA fees are already very high. This bill will help slow the increases to HOA fees at no cost to taxpayers.

For these reasons Leisure World supports SB 747 and recommends a favorable vote for it.

Respectfully submitted,

Colette Collier Trohan
Chair of the Board of Directors
Leisure World Community Corporation