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Environment and Transportation  
Committee

Subcommittees

Chair, Energy

Environment

THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

Chair Korman,

I am writing in favor of **HB 1219: Climate Change, Homeowner’s Insurance, and Emergency Management – Study.**

In May of 2025, Western Maryland was hit by a flash flood that caused \$33.7 million in eligible damages, indicating the need for FEMA assistance. FEMA denied the request with no justification, leaving Maryland to take a “proactive stance towards disaster preparedness”.<sup>1</sup> Between 2021 and 2024, Maryland has experienced a 25% increase in homeowner’s insurance premiums.<sup>2</sup> The Consumer Federation of America’s 2025 report attributes the rise in insurance to climate-driven disasters, construction costs, and insurers’ reliance on the unregulated global reinsurance market.<sup>3</sup> As more and more natural disasters occur, the cost to rebuild homes is rising due to the price increase of materials and labor. To keep up with the rising costs, insurers then have to manage higher costs of insurance in order to repair affected homes.<sup>4</sup>

In some states, where insurance carriers underinsure homeowners, a policy covers less than the full cost of damages, they depend on the federal and state level to help rebuild. Communities rely on the Federal Emergency Management Agency (FEMA) for disaster relief funding, and can exhaust the available funds. For example, in 2025 Fiscal Year, FEMA had exhausted almost half of its disaster relief, after only eight days.<sup>5</sup> Along with this comes President Trump’s announcement of cutting back FEMA and possibly even shutting the agency

<sup>1</sup> Bryan P. Spears, *Cost of Western Maryland Flood Damage More than Doubles; State to Appeal FEMA Aid Denial*, Maryland Matters (2025).

<https://marylandmatters.org/2025/08/19/cost-of-western-maryland-flood-damage-more-than-doubles-state-to-appeal-fema-aid-denial/>

<sup>2</sup> David M. Higgins, *Maryland Home Insurance Costs Jump 25%, Report Says*, Southern Maryland Chronicle (2025). <https://southernmarylandchronicle.com/2025/04/08/maryland-home-insurance-costs-jump-25-report-says/>

<sup>3</sup> Id.

<sup>4</sup> KCM Crew, *Home Insurance Costs Are Rising: What Buyers Should Plan For*, Eastern Shore Home Solutions (February 2, 2026),

<https://www.easternshorehomesolutions.com/blog/home-insurance-costs-are-rising-what-buyers-should-plan-for/>

<sup>5</sup> Joint Economic Committee Democrats, *Climate Risks Present a Significant Threat to the U.S. Insurance and Housing Markets*, (2024),

<https://www.jec.senate.gov/public/index.cfm/democrats/2024/12/climate-risks-present-a-significant-threat-to-the-u-s-insurance-and-housing-markets#:~:text=Climate%2Dexacerbated%20disasters%2C%20such%20as,public%20services%20and%20disaster%20relief>

down with goals to put disaster relief back to the state level.<sup>6</sup> This study will effectively look further into climate change and homeowner's insurance in evaluating Maryland's changes in insurance—ensuring Maryland's readiness for when the next natural disaster strikes.

HB 1219 requires a study to be conducted to assess the relationship between climate change, homeowner's insurance, and emergency and disaster preparedness. More specifically, the study will:

- By January 1, 2027 with the University System of Maryland in coordination with:
  - A member of the Senate; a member of the House; the Maryland Department of Emergency Management; Maryland Department of Environment; Maryland Insurance Administration; Maryland Department of Natural Resources; a County Emergency Manager; and an Municipal Emergency Manager
- Evaluate the extent climate change has caused the decrease in availability and increase in costs to homeowner's insurance; changes in federal policies relating to disaster preparedness; current local resources or funds for disaster recovery; emergency management capabilities identified by Federal Emergency Management Agency (FEMA)
- Include an overview of the state of the National Flood Insurance Program; recommend incentives for homeowners to improve homes and protect/mitigate damage from extreme weather events, modifications to § 19-210 of the Insurance Article, and best practices for funding emergency management capabilities based on other states

Dare County, North Carolina, has seen high nonrenewal rates of insurance due to the influx of natural disasters. In this case, the county has seen more severe and frequent hurricanes due to climate change, which has increased their nonrenewal rates, in 2021 it was at 1.93% and in 2023, it jumped to 12.92%.<sup>7</sup> Louisiana and Florida, among other coastal states, are seeing high rates of insurance nonrenewal. Insurance nonrenewal occurs when insurance carriers decide to not go through with renewal of a policy.<sup>8</sup> These states like North Carolina are seeing more hurricanes causing flooding and damages to homes.

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<sup>6</sup> Rebecca Hersher, *The Trump Administration Says it Wants to Eliminate FEMA. Here's What We Know*, NPR, (2025), <https://www.npr.org/2025/06/26/nx-s1-5430469/faq-fema-elimination#:~:text=President%20Trump%20says%20the%20agency,and%20the%202026%20hurricane%20season>.

<sup>7</sup> Sarah Melotte, *Home Insurers Shift Costs to Homeowners as Climate Change Exacerbates Natural Disasters*, The Daily Yonder, (2025). [https://dailyyonder.com/home-insurers-shift-cost-to-homeowners-as-climate-change-exacerbates-natural-disasters/2025/07/09/?gad\\_source=1&gad\\_campaignid=22212227916&gbraid=0AAAAABWZeMghqwhnT5sTK9Nuw6bCpj mXk&gclid=Cj0KCCQiA-YvMBhDtARIsAHZuUzL2F9jtJ109iH2FQatwgyKnxzfZ9KTTLWGIK0EYSeBRXFsUXelNy\\_OEaAlNREALw\\_wcB](https://dailyyonder.com/home-insurers-shift-cost-to-homeowners-as-climate-change-exacerbates-natural-disasters/2025/07/09/?gad_source=1&gad_campaignid=22212227916&gbraid=0AAAAABWZeMghqwhnT5sTK9Nuw6bCpj mXk&gclid=Cj0KCCQiA-YvMBhDtARIsAHZuUzL2F9jtJ109iH2FQatwgyKnxzfZ9KTTLWGIK0EYSeBRXFsUXelNy_OEaAlNREALw_wcB)

<sup>8</sup> *What's the Difference Between Cancellation and Nonrenewal?*, Insurance Information Institute. <https://www.iii.org/article/whats-difference-between-cancellation-and-nonrenewal-0>

As wildfires intensify on the West Coast, primarily in California, damages are driving up insurance costs and causing widespread nonrenewals for homeowners.<sup>9</sup> In California twelve major insurance carriers have left or reduced their coverage in the state.<sup>10</sup> California’s legislature passed SB 30 in 2018, calling on the Insurance Commissioner to convene a working group to assess risk transfer market mechanisms to promote investment in natural infrastructure and recommend incentives and policies for specific questions.<sup>11</sup> From SB 30, California took the FAIR Plan Association (FAIR Plan) and modernized the agency to effectively work for homeowners. Before the modernization, the agency acted as an “insurer of last resort” for homeowners without insurance, but it had downsides. The FAIR Plan will now expand its coverage, improve financial stability, and enhance transparency.<sup>12</sup> California’s Department of Insurance also implemented the “Safer from Wildfires” guide that will qualify homeowners for insurance discounts if they implement certain actions, such as fire-proof roofs and removing vegetation close to their home.<sup>13</sup> As HB 1219 studies insurance and climate change throughout Maryland, we as policymakers will be able to implement policies to help our communities combat rising premiums.

Florida has experienced similar challenges to California, when Farmers Insurance left in 2023, leaving 100,000 homeowners without coverage.<sup>14</sup> Florida revived their “My Safe Florida Home” program that was created in 2006, to help cover some of the costs to strengthen their homes and cut insurance premiums. The program offers inspections to homeowners to figure out what the home needs to do to be stronger against high winds and hurricanes. Homeowners can then improve their home by replacing their roof, deck, windows, and garages. Once improvements are done, homeowners can then report to their insurance carrier what they have changed, decreasing their premiums.<sup>15</sup> Florida has enacted the Resilient Florida Grant Program, which set out to assess statewide flood vulnerability and sea level rise data. Which would conduct assessments in counties or municipalities in order to receive state funding. The program then calls on the Department of Environmental Protection to develop a Statewide Flooding and Sea Level Rise Resilience Plan that includes projects to address the risks associated with flooding and sea level rise.<sup>16</sup> As studies have been conducted through states such as California

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<sup>9</sup> Kenny Stancil, *Mapping the Insurance Crisis*, (2025).

<https://therevolvingdoorproject.org/mapping-the-home-insurance-crisis/>

<sup>10</sup> Bill Ainsworth & Susan Milligan, Climate change is upending homeowners insurance nationwide: Institute for Business in Global Society Harvard Business School (2025),

<https://www.hbs.edu/bigsc/climate-change-upending-homeowners-insurance>

<sup>11</sup> Cal. S.B. 30, 2017-2018 Leg., (CA. 2018)

<sup>12</sup> Cal. Dept. of Ins., *Sustainable Insurance Strategy*,

[https://www.insurance.ca.gov/01-consumers/180-climate-change/Sustainable-Insurance-Strategy.cfm?utm\\_source=c\\_hatgpt.com](https://www.insurance.ca.gov/01-consumers/180-climate-change/Sustainable-Insurance-Strategy.cfm?utm_source=c_hatgpt.com)

<sup>13</sup> Cal. Dept. of Ins., *Safer From Wildfires*,

<https://www.insurance.ca.gov/01-consumers/200-wrr/Safer-from-Wildfires.cfm>

<sup>14</sup> Id at 10

<sup>15</sup> Dept. of Financial Serv., *My Safe Florida Home*, <https://mysafehome.com/>

<sup>16</sup> FL Stat § 380.093 (2025)

and Florida, policies have been enacted to help homeowners to save on insurance, Maryland can look to others to shape our own.

HB 1219 will effectively look at the direct impacts due to climate change and homeowners insurance, to ensure that Maryland is aware of the future of homeowner insurance policies. This bill will position Maryland to better respond to the shifting insurance landscape due to the climate crisis and protect our communities from rising costs.

Respectfully,

A handwritten signature in black ink, appearing to read "David Fraser-Hidalgo". The signature is fluid and cursive, with a large, stylized initial "D" and "F".

Delegate David Fraser-Hidalgo