

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. Essentially, 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 is one specific example:

This water event was due to a leaking water heater expansion tank. A resident with a 14-year-old water heater had refused numerous requests from the property manager to replace the water heater, as the average life span is 10 years. This resident mopped up water around her water heater for several days, not realizing that the expansion tank was leaking. The neighbors on the floors below saw water damage in their units and informed the property manager. This is a case of clear neglect on the part of the resident, yet she is only responsible for her deductible and her insurance covers the 1st \$10,000, leaving the community with the balance.

Damage costs average \$30,000 to \$50,000, leaving the community liable for \$20,000 - \$40,000. A water heater that costs \$1,500 - \$2,000 costs the community exponentially.

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 carrier, 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 condo community with increased condo dues.

Revising the current law 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,

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