

WRITTEN TESTIMONY OF STEVE LEVEN ON SB 332 – TUESDAY FEB. 3, 2026
FAVORABLE WITH AN AMENDMENT THAT IS ATTACHED HERETO

Good afternoon Members of the Committee

My name is Steve Leven. I am a retired engineer and for over 12 years have been President of the Board of Directors of the 2700/2800 Stonecliff Condominium Association, Inc. We are located in Baltimore County in the Quarry Lake community. In addition, I served for a time on the Board of the Greenspring Quarry (Master) Association.

I know that your time is valuable so I will make this as brief as possible.

A. This is A Good Bill

- a. SB 332 is a **good bill** and solves an insurance issue that affects everyone who lives in a condominium in Maryland. **It is really important to increase the maximum amount for which a unit owner is responsible to \$25,000.**
- b. Many condominium associations are forced to have a \$25,000 or larger deductible, either because policies with a \$10,000 deductible result in much higher premiums or because they cannot find an insurance company that will provide them a policy with a lower deductible.
- c. Note that premiums are operating expenses that are shared among all owners in the condominium; therefore a \$20,000 (for example) premium increase for a 50 Unit condominium will cost each owner an additional \$400 per year.
- d. It is estimated that between 70% and 90% of all condo insurable losses originate in a unit owner's unit. Therefore, the unit owner is responsible for the cost of the repair up to a maximum of \$10,000. If the condominium's master insurance policy has a deductible of \$25,000, the condominium would be responsible for up to \$15,000 before the insurance kicks in. Using our 50 Unit example, that would cost each owner \$300.
- e. So, raising the maximum from \$10,000 to \$25,000 will make a **big positive difference** to all condominium associations, and all condominium owners, in Maryland and seems like a consumer-friendly move for all concerned.

B. Improving the Bill – Proposed Favorable Amendment

- a. The current language of the existing statute in 11-114 (g) (2) (iii) 1 and in (g) (2) (iii) 2 A, which is not changed by this Bill, introduces ambiguity into under what circumstances the owner of a unit where the damage originated can be assessed.

- b. The text in both locations “... for the council of unit owners’ property insurance deductible...” could mean
 - i. The actual deductible dollars invoked by the filing of a claim by the condominium with the condominium’s master insurance policy, **or**
 - ii. The dollar amount of the deductible in the condominium’s master insurance policy documents, whether or not a claim is filed.
- c. It is this **2nd (ii) interpretation** that we think is what is intended by the statute. After all, why should the other owners in the condominium have to pay (through assessments or deduction from retained earnings) for damage that is the responsibility of one owner?
- d. Therefore, in our Proposed Favorable Amendment we suggest adding the phrase “, whether or not the council of unit owners files a claim with its property insurance company” to the end of each of those two phrases. This will eliminate any ambiguity. Again, this is consumer-friendly.
- e. Our Proposed Favorable Amendment also includes deletion of one word, “annual”, from Section 11-114-(g)(2)(iv) because the council of unit owners should be able to make these assessments as frequently as needed and not just on an annual basis.

Our Proposed Favorable Amendment is included on the last page of this submission.

POSSIBLE UNFAVORABLE AMENDMENT PROPOSAL

We are aware that Community Associations Institute (CAI) is supporting HB 469. HB 469, in addition to increasing the deductible assessment from \$10,000 to \$25,000, also seeks to impose mandatory insurance requirements on all condominium owners to obtain insurance that they may not need, that they may have decided they do not want, that can impose upon them substantial increased costs and that contains limits from which the condominium is prohibited by statute from assessing.

The reasons we urge **against** the imposition of mandatory insurance for all condominium owners include:

1. It will not succeed in getting all unit owners to purchase insurance.
2. Mandated insurance was not found necessary when the deductible amount was increased in 2008 or 2020, and no other states have such a mandate.

3. This will be an additional cost to unit owners. It is not consumer-friendly.
4. It is likely to dramatically increase litigation.

We **strongly urge you to reject** this mandated insurance amendment if it is proposed.

For more details on our opposition to any amendment to this bill which includes the features of HB 469, please see the bottom of page 2 of the submitted written testimony for this hearing of Jay Radov. He has registered as a witness for the hearing and will be able to answer any detailed questions on either our proposed favorable amendment and on the potential unfavorable amendment.

[THE FAVORABLE AMENDMENT APPEARS ON THE NEXT PAGE]

FAVORABLE AMENDMENT TO SB 332

(g) (2)

(iii) 1. If the cause of any damage to or destruction of any portion of the condominium originates from a unit, the owner of the unit where the cause of the damage or destruction originated is responsible for the council of unit owners' property insurance deductible not to exceed ~~[\$10,000]~~ **\$25,000**, whether or not the council of unit owners files a claim with its property insurance company.

2. The council of unit owners shall inform each unit owner annually in writing of:

A. The unit owner's responsibility for the council of unit owners' property insurance deductible, whether or not the council of unit owners files a claim with its property insurance company; and

B. The amount of the deductible.

3. The council of unit owners' property insurance deductible exceeding the ~~[\$10,000]~~ **\$25,000** responsibility of the unit owner is a common expense.

(iv) In the same manner as provided under § 11-110 of this title, the council of unit owners may make an ~~annual~~ assessment against the unit owner responsible under subparagraph (iii) of this paragraph.