

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

**TESTIMONY OF THE LEISURE WORLD COMMUNITY CORPORATION OF MARYLAND  
ON FEBRUARY 3, 2026  
BEFORE THE SENATE JUDICIAL PROCEEDINGS COMMITTEE  
IN SUPPORT OF SB 332 CONDOMINIUMS – PROPERTY INSURANCE  
DEDUCTIBLES – UNIT OWNER RESPONSIBILITY**

Honorable Chair William C. Smith, Vice-Chair Jeff Waldstreicher, and Members of the Senate Judicial Proceedings 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. Leisure World has 29 mutuels including 27 condominiums that are impacted by this bill. This bill addresses an important insurance issue that impacts both condominiums and their unit owners.

Under current law unit owners are only responsible up to a maximum of \$10,000 for damage to others originating from their unit. As a result, if other 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.

The specific language of the current law provides:

Article-Real Property

11-114(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.

SB 332 would raise that amount from \$10,000 to \$25,000.

Under current law, if other 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 was 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. However this would be far less than the \$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 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.

It should be noted that in the last session the House passed HB 449. In the Senate the associated bill, SB 446, did not get out of the Judicial Proceedings Committee though there was no adverse testimony on the bill.

For these reasons Leisure World supports SB 332 and recommends a favorable vote for it.

Respectfully submitted,

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