



House Bill 283 – Property Insurance – Settlement of Claims and Notices

Position: Support with Amendment

Maryland REALTORS® supports House Bill 283, which sets a clear standard for calculating actual cash value for property insurance claims. The bill also requires insurers to provide advance notice before renewal of material changes such as reduced coverage, removed risks, changed limits, or higher deductibles.

Homeowners and renters benefit from clear, consistent claim settlement standards and meaningful notice when a policy is changing. After a loss, fair and predictable actual cash value payments help property owners begin repairs sooner and avoid prolonged disputes.

Likewise, the 45-day advance renewal notice requirement would give consumers time to understand coverage changes, shop for coverage, and correct gaps. Ultimately, when consumers receive these changes earlier and in a clear format, they are better positioned to avoid surprises that can disrupt homeownership and real estate transactions.

Additionally, since mortgage lenders often require borrowers to maintain specific coverage terms to protect the collateral, borrowers may not learn that a renewal change has made the policy noncompliant until after the renewal takes effect. To close that gap, Maryland REALTORS® recommends an amendment requiring the same renewal change notice to be provided to any mortgagee or lienholder listed on the policy at the same time it is provided to the insured, and requiring the notice to clearly identify any change that could affect standard mortgage compliance, such as coverage limit changes, peril removals, or deductible increases.

With that amendment, Maryland REALTORS® supports House Bill 283 and respectfully requests a favorable report.

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