

Towers at Harbor Court Condominium Association
Support Senate Bill 293
Condominiums and Homeowners Associations - Amendments to Declarations and
Governing Documents

Hon, William C. Smith, Jr, Chair
Judicial Proceedings Committee
Miller Senate Office Building, 2 East Wing
11 Bladen Street
Annapolis, MD 21401

Dear Chair Smith and Members of the Committee,

I am writing to urge your support for SB175, "Condominiums – Responsibility for Property Insurance Deductibles".

I am the President of The Towers at Harbor Court Condominium Association, which is a high rise complex located in downtown Baltimore City (46th Legislative District) and which consists of 167 residential units. I have been in this position or others on the Board for a number of years and have significant experience with insurance claims for incidents that have originated in an owner's unit or in the common elements of the condominium.

The current deductible for the condominium's insurance policy is \$10,000. In 2007, our owners voted overwhelmingly to amend our By-Laws to allow the condominium to assess a unit owner for damage which originates in their unit "in the event the damage is less than the Master Insurance policy deductible", i.e., no claim is made. Our owners felt very strongly that the burden for damages caused by an individual unit owner should be borne by that unit owner and not the Association to the extent possible. Every year we notify our owners of their potential liability under our By-Laws.

Many condominium insurance policies written in Maryland include coverage for only the \$5,000 amount cited in Section 11-114 (g) (2)(iii) of the Maryland Condominium Act. However, a number of our unit owners have purchased additional coverage as a result of the specific liability language in our By-Laws. My husband and I have purchased such additional coverage. Our insurance company is Chubb and the cost of the additional \$5,000 in coverage is \$10 per year.

SB175 would simply increase a unit owner's responsibility for the council of unit owners' property insurance deductible from \$5,000 to \$10,000 in the event any damage to or destruction of any portion of the condominium originates from a unit. It would also clarify the Association's liability for damage that originates outside of the units or in the common areas. Our owners decided a number of years ago that this is a fair apportionment of responsibility, and it is time that the Maryland Condominium Act liability limits be adjusted to reflect this thinking.

I believe that increasing the amount that may be owed by an individual owner from \$5,000 to \$10,000 is reasonable and in no way, as my own experience with additional coverage shows, places an undue or unmanageable burden on the individual unit owner. Please vote "Yes" on SB175.

Sincerely,

Barbara Valeri
President, The Towers at Harbor Court Condominium Association
10 E. Lee Street, Baltimore, MD 21202