

January 18, 2022

The Honorable Kumar P. Barve  
Environment & Transportation Committee  
House Office Building, Room 251,  
6 Bladen St., Annapolis, MD, 21401

**RE: Support Cooperative Housing Corporations and Condominium Associations – Evidence of Insurance**

Dear Chairman Barve:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **HB 117 Cooperative Housing Corporations and Condominium Associations – Evidence of Insurance**. MBIA **Supports** the Act in its current version.

This bill would allow cooperative housing corporations to require members to maintain an insurance policy on each member unit. MBIA support this bill. The requirement for individuals to maintain insurance policies protects each of the individual members of the Co-Op in equal measure. It eliminates an existing free rider problem that disincentivizes members from purchasing insurance relying on the unique diffusion of ownership to protect their individual homes. It is unfair to place the burden of insurance protection on a small group of individual members and would distribute the costs more equitably.

For these reasons, MBIA respectfully requests the Committee give this measure a favorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or [lgraf@marylandbuilders.org](mailto:lgraf@marylandbuilders.org).

cc: Members of the House Environment & Transportation Committee