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CHIEF DEPUTY MINORITY WHIP

Ways and Means Committee

*Subcommittees*

Racing and Gaming

Revenues



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THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

Marie L. Grant, J.D.  
Acting Maryland Insurance Commissioner  
Maryland Insurance Administration  
200 St. Paul Place, Suite 2700  
Baltimore, Maryland 21202

October 25, 2024

Dear Commissioner Grant,

I am writing you to submit comments regarding the decreasing availability of insurance coverage for mobile and manufactured homes in coastal areas. Thank you for holding a public hearing on October 23<sup>rd</sup> to listen to the concerns of citizens that are directly affected by this issue, specifically in Ocean City, Maryland.

The more that we hear and collect information about this issue, the more we find this to be an increasing problem for the owners of mobile and manufactured homes. The inability to purchase homeowners insurance for these dwellings has now created major issues when trying to sell, and eventually will lead to an overall decline in property values. I am concerned that neighborhoods in Ocean City such as Montego Bay, Isle of Wight Park, and Warren's Park will experience a significant decrease in property valuations if insurance cannot be acquired. Another factor to consider is that if a significant damaging event were to occur, the owners of these mobile and manufactured homes are at risk of losing most or all of their home's equity.

A key component that I learned when exploring solutions is that the Maryland Joint Insurance Association uses a set of "Rules of the Program" that now are obsolete for mobile and manufactured homes in Ocean City. Much like the Maryland Automobile Insurance Fund, the Maryland Joint Insurance Association provides insurance coverage to property owners, individuals, or businesses in Maryland that are unable to obtain insurance through the competitive property/casualty insurance marketplace. Within these Rules of the Program, under the Eligible Properties section, it states that *"The following provisions apply to all eligible properties located within the city limits of Ocean City: Any structure not built in substantial compliance with the Southern Standard Building Code, including the design-wind requirements therein, shall not be an insurable risk. The*

*owner or applicant shall furnish with the application proof in the form of a certificate from a local building inspector, contractor, engineer or architect that the structure is built in substantial compliance with the Southern Standard Building Code.”*

The Town of Ocean City informed me that the Southern Standard Building Code has not been in existence for many years, and that Ocean City has adopted the International Building Code. It is likely that this current set of rules is hindering a property owner's ability to obtain coverage here in Ocean City. In my most recent correspondence with the Joint Insurance Association, they stated that they are willing to amend their Rules of the Program, present the amended Rules to their Governing Committee, and provide the amended Rules to the Maryland Insurance Administration. While changes to these Rules do not require legislative action, I sincerely hope that the Joint Insurance Association coordinates with the Town of Ocean City for local input so that both new and existing homes can obtain adequate coverage.

Thank you for your time and consideration. I look forward to continue working with the Maryland Insurance Administration as well as the Maryland Joint Insurance Association to resolve this issue, and I appreciate hearing any solutions that the Maryland Insurance Administration has to offer. Please do not hesitate to contact me at [wayne.hartman@house.state.md.us](mailto:wayne.hartman@house.state.md.us) or call 410-841-3356 if you would like to discuss this further.

Sincerely,



Delegate Wayne Hartman  
District 38C  
Worcester & Wicomico Counties