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BULLETIN 20-31

Date: August 12, 2020

To: All Property & Casualty Insurers and Producers

Re: SB 175 / Chapter 0057 (Acts 2020) – Responsibility for Master Policy Deductible Expense

This Bulletin will remind all Property & Casualty insurers and producers that, effective October 1, 2020, the maximum amount of master policy deductible expense that a Council of Unit Owners, (“condominium association”) can hold an individual unit owner responsible for, when a loss originates within a unit, increases from \$5,000 to \$10,000. *See* Real Property Art., § 11-114 (g)(2)(iii)(1), Annotated Code of Maryland.

The Maryland Insurance Administration notes that a unit owner’s policy, often referred to as an HO-6 policy, typically provides liability insurance for amounts the insured is legally obligated to pay as a result of a covered loss. Master policy deductible expenses up to \$10,000 billed by the condominium association to the owner of a unit where a covered loss originates, is the legal obligation of the insured unit owner under an HO-6 policy.

Please contact the Associate Commissioner for Property & Casualty, Robert Baron, with any questions concerning this Bulletin (Robert.Baron@Maryland.gov / 410.468.2353).

KATHLEEN A. BIRRANE
Commissioner

By: —

Robert Baron, Associate Commissioner
Property & Casualty