

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

House Bill 669 (Delegate Weir, *et al.*)
Environmental Matters

Landlord and Tenant - Renter's Insurance

This bill authorizes a residential landlord to require a tenant to maintain a renter's insurance policy that provides coverage for the tenant's personal liability and the tenant's personal property in the dwelling. A landlord may obtain the renter's insurance policy for the tenant and require the tenant to pay the cost of the premium on a monthly basis as an additional amount of rent. If the landlord requires tenants to purchase renter's insurance, the landlord must notify the prospective tenant in writing that the tenant may obtain the renter's insurance policy separately. The tenant must also provide the landlord with written proof of the coverage and premium payment and maintain coverage at all times during the rental agreement.

Fiscal Summary

State Effect: The bill does not materially affect State finances or operations.

Local Effect: The bill does not directly affect local finances or operations.

Small Business Effect: Potential minimal.

Analysis

Current Law: A residential landlord who rents using a written lease shall provide, upon written request from any prospective tenant, a copy of the proposed lease. The proposed lease must contain every material detail, except for the date, the name and address of the tenant, the designation of the premises, and the rental rate. A copy of the residential lease must contain a statement that the premises will be made available in a condition permitting habitation with reasonable safety, except if the agreement provides otherwise.

The proposed lease must also contain a statement of the landlord's and tenant's specific obligations as to heat, gas, electricity, water, and repair of the premises.

Background: Renters of apartments or homes are generally not required to obtain an insurance policy that insures against their personal liabilities and personal property. Renters are, however, responsible for their liabilities and possessions, whether or not they have insurance. An HO-4 (renter's) insurance policy insures the tenant's household contents and personal belongings. A renter's insurance policy typically insures against losses or damages to the dwelling and the tenant's personal belongings arising from fire or lightning; windstorm or hail; explosion; riot or civil commotion; aircraft; vehicles; smoke; vandalism and malicious mischief; theft; breakage of glass constituting a part of the building; falling objects; weight of ice, snow, and sleet; collapse of the building or any part thereof; sudden and accidental damage from hot water, plumbing, and HVAC systems; and sudden and accidental damage from electrical currents to appliances, devices, fixtures, and wiring.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): National Association of Insurance Commissioners, Office of the Attorney General (Consumer Protection Division), Maryland Insurance Administration, Judiciary (Administrative Office of the Courts), Department of Legislative Services

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