



**INDEPENDENT INSURANCE
AGENTS of RHODE ISLAND**

March 4, 2025

Testimony to the House Committee on Corporations

Re: 2025 HB 5585 AN ACT RELATING TO PROPERTY -- CONDOMINIUM LAW. This Act requires associations to provide unit owners with 30 days' notice of any increase in the deductible applicable to the Association's policy ensuring that unit owners will have coverage relating to their responsibility for the master policy deductible applicable to their unit.

This testimony is delivered on behalf of the Independent Insurance Agents of Rhode in SUPPORT of House Bill 5585 which seeks to revise the Rhode Island Condominium Act.

The Master Insurance Policy deductible bill passed in 2022 (2023 for condominiums under the Old Act), amended the condo law to protect Unit Owners by clarifying that the Unit Owners HO-6 insurance policy would cover the amount of covered loss **within a Unit** (not to the common areas) up to the Master Insurance Policy deductible. For example, if the Association's policy has a \$10,000 per Unit deductible for property covered under the master policy, the Unit Owner's insurance policy will pay up to that deductible on behalf of the Unit Owner for damage to their unit, subject only to the Unit Owner's personal insurance deductible. The Master Policy will pay for damage to covered property over the deductible applicable to the Unit. Therefore, it is very important the Unit Owners have appropriate insurance to cover this part of the claim for which they are responsible. Toward that end, Section 3.13 is being further amended to require the Association to give Unit Owners 30 days written notice of any change in the Master Policy Deductible applicable to their unit in an effort to ensure that Unit Owners have adequate insurance at the time of the loss. This change would also be applicable to the Old Act.

Our organization SUPPORTS the passage of House Bill 5585 which seeks to amend the Rhode Island Condominium Act. We respectfully request and encourage Passage of this bill. Upon request, we are happy to provide further information to the Committee regarding the bill.

Respectfully Submitted,

Cristie A. Hanaway