



Commissioner Grant,

We the undersigned consumer and economic rights groups thank you for the opportunity to submit comments on the withdrawal of insurers selling coverage for homeowners in manufactured housing communities near Maryland's shoreline and coast.

[Climate change](#) will lead to an increase in extreme weather-related events across the state including a rise in storms, flooding, as well as increased erosion along the shoreline.¹ Maryland is already particularly vulnerable to the coastal impacts of climate change, with over 3,000 miles of shoreline.

Low-income households will bear the brunt of the effects of climate-related extreme weather events. A 2021 EPA study found that low-income and communities of color suffer disproportionately from health impacts, job-loss, and flooding related to climate change.²

Extreme weather events such as flooding and hurricanes can cause job loss or disruption, injury, lack of access to reliable healthcare, loss of or damage to a home, and as we see today in Maryland, difficulty obtaining affordable homeowners insurance or any homeowners insurance for certain residents.

In the past few months, many residents of Ocean City's Montego Bay manufactured housing community as well as homeowners in Worcester's White Horse Park and Assateague Pointe have been notified that their insurance companies will no longer provide insurance for manufactured homes due, reportedly, to the age of the home and climate vulnerability of the area. For other manufactured homeowners, the price of coverage can be higher than traditional home insurance

¹ [Maryland DNR Climate Resilience](#)

² [EPA September 2021](#)

would be, even as the coverage they get tends to have more gaps in the protection it provides than traditional homeowners policies.³

This is particularly concerning because manufactured or mobile homes are an important component of affordable housing solutions and have a smaller environmental footprint than traditional homes. In 2017, there were 36,318 mobile homes in Maryland. These homes are also appealing to those with disabilities because they are simple to modify to accommodate wheelchairs, mobility aids, railings, and ramps. Owners of manufactured and mobile homes are also more likely to be owned by lower income residents who have fewer savings and resources on which to rely in case of a natural disaster.

Failure to have home insurance makes it much more difficult for homeowners to sell their mobile homes. It also decreases value in the properties, and makes it difficult to obtain loans to refinance or make repairs on the homes. All of these factors have ripple effects across the economy.

This growing crisis for some homeowners is not, of course, unique to Maryland. Across the country insurers are dramatically raising the cost of coverage and, in many communities, refusing to renew coverage altogether. According to the Consumer Federation of America average premiums rose about forty percent faster than inflation from 2017-2022 and have continued to rise rapidly since then. Since 2022, Maryland has seen a 10.9% increase in rates.⁴ While there are several intersecting factors driving these increases – including the escalating cost of unregulated, global reinsurance, domestic inflation between 2021 and 2023, and insufficient oversight of insurers’ pricing – the impact of climate change on property risk is certainly playing an important role. Well-established insurers are canceling policies and exiting the market in Florida, particularly in high climate risk areas⁵. In California, national insurers including Allstate, State Farm, Farmers’ and USAA stopped writing new insurance policies in the state due to climate-related wildfires as one of several factors⁶.

Maryland must be proactive in addressing climate change and mitigating the harmful effects in vulnerable communities. In June 2024, Governor Wes Moore issued an executive order on climate change that called for, among other measures, the development of a Climate Implementation Plan by each agency.⁷ Such a plan from the MIA will be a strong first step for the Maryland Insurance Administration. The final plan should be publicly accessible on the MIA website with clear metrics and timeline for implementation. Regular updates on progress with stakeholders should also continue.

³ Gill, L. August 18, 2023. [How to Save on Insurance for a Manufactured Home](#). *Consumer Reports*

⁴ <https://www.cfr.org/article/climate-change-and-us-property-insurance-stormy-mix>

⁵ [Testimony of Ishita Sen, Asst. Prof. of Finance, Harvard Business School Before Senate Budget Committee June 5, 2024](#)

⁶ [Bankrate](#)

⁷ [Executive Order Climate Change](#)

But more must be done. A June 2023 report from the Federal Insurance Office (FIO) urged state regulators to develop frameworks to provide climate risk management and guidance. New York⁸ and Connecticut⁹ have developed climate risk guidance while California, Washington, and Oregon have conducted climate-stress tests.¹⁰

Recommendations:

- The MIA should develop guidance for the insurance industry on managing systemic risks related to climate change. The plan should reflect current climate science, provide guidance to insurance companies on ways to prepare for risks, ensure the health of the market without the “bluelining” that denies families access to affordable insurance, particularly low-income and disinvested communities. In addition to the exposure faced by insurers and availability and affordability of coverage for consumers, the guidance should address the investment portfolios of insurance firms, including expectations that companies will eliminate their investments in the fossil fuel sector.
- Insurers should be required to provide discounts to homeowners and property owners who undertake mitigation measures to reduce insurance risk, such as fortified roofs against storms and wind damage as well as to residents of communities that invest in community-level loss prevention. There should be a concerted effort to provide discounts to low-income homeowners who can receive support for mitigation measures through IRA programs.
- MIA can support these discounts by requiring information about what discounts each insurer offers as part of its annual reporting and make that information public so consumers can make informed decisions.

Thank you for the opportunity to provide comments. We look forward to working with MIA to support a climate resilience strategy that protects homeowners as well as industry.

⁸ https://www.dfs.ny.gov/system/files/documents/2021/11/dfs-insurance-climate-guidance-2021_1.pdf

⁹ https://portal.ct.gov/-/media/cid/1_bulletins/bulletin-fs-44.pdf

¹⁰ <https://www.insurance.ca.gov/0400-news/0100-press-releases/2024/release006-2024.cfm>