

# FINAL BILL REPORT

## SHB 2013

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### C 119 L 09

Synopsis as Enacted

**Brief Description:** Allowing the owner of a self-service storage facility to offer self-service storage insurance.

**Sponsors:** House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Green, Roach, Kirby, Warnick and Morrell).

**House Committee on Financial Institutions & Insurance**  
**Senate Committee on Financial Institutions, Housing & Insurance**

#### **Background:**

The Insurance Commissioner (Commissioner) oversees insurers and insurance products in this state. A person must be licensed to sell insurance in this state.

Self-service storage facilities are regulated under the Washington Self-Storage Facility Act (Act). Facilities are not licensed or registered with any state agency. The Act requires that all rental and lease agreements are in writing. Owners of a self-storage facility must comply with certain procedures when addressing past due rent, terminating the rental or lease agreement, placing liens on personal property stored in the unit, and disposing of unclaimed personal property. There are no discrete penalties for violations of the Act.

#### **Summary:**

An owner that intends to offer insurance covering the loss of or damage to personal property stored at a facility (Storage Insurance) must be licensed as a Self-service Storage Specialty Producer (Storage Producer). A license is not required to merely display Storage Insurance materials. Provisions are established regarding the licensing process. An insurer must provide a certificate indicating that the insurer has reviewed the background of an applicant for a license and will appoint that applicant to offer or sell Storage Insurance on the insurer's behalf. The training and education program is deemed approved if the Commissioner takes no action within 30 days of the receipt of the program.

An employee may sell Storage Insurance for a Storage Producer only if the employee:

- is over 18 years of age;
- is trustworthy and has not committed specific illegal or wrongful acts; and

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- has completed a training and education program.

Licensing fees are established at:

- \$130 for every two years for a Storage Producer with fewer than 50 employees;
- \$375 every two years for a Storage Producer with 50 or more employees; and
- \$35 per location.

A Storage Producer may not issue Storage Insurance unless:

- disclosure materials are made available to prospective occupants at every location where occupants are enrolled in Storage Insurance programs;
- all of the employees of the Storage Producer who are involved in the Storage Insurance transaction have completed a training and education program; and
- there is a manager responsible for the actions of employees at each location where a Storage Producer offers self-storage insurance.

The disclosure materials must:

- summarize the material terms of insurance coverage, including the contact information for the insurer, price, benefits, exclusions, and conditions;
- state that the Storage Insurance policies may provide a duplication of coverage already provided to the purchaser by an existing source of property insurance coverage;
- state that if insurance is required to rent storage, the requirement is satisfied by the occupant purchasing the Storage Insurance or by presenting evidence of other applicable insurance coverage;
- describe the process for filing a claim;
- state in writing all costs related to the Storage Insurance; and
- include other information required by rule by the Commissioner.

The conduct of an employee and authorized representative is the same as conduct of the Storage Producer for the purposes of enforcement.

The Commissioner may adopt rules to implement this act.

**Votes on Final Passage:**

House	97	0
Senate	43	3

**Effective:** July 1, 2010