

# SENATE BILL REPORT

## SB 5933

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As of April 16, 2009

**Title:** An act relating to self-service storage specialty producers.

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

**Sponsors:** Senators McDermott, Benton, Hobbs, Shin and Kohl-Welles.

**Brief History:**

**Committee Activity:** Financial Institutions, Housing & Insurance: 2/17/09.

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

**Staff:** Philip Brady (786-7460)

**Background:** The Insurance Commissioner (commissioner) regulates insurance in Washington. This includes oversight of rates, forms, financial conditions, claims practices, and other matters related to the business of insurance. In order to sell insurance in Washington, a person must be licensed by the commissioner.

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. Owners are not required to provide insurance coverage to tenants, and there are no discrete penalties for violations of the Act.

**Summary of Bill:** Self-service storage facilities may be licensed by the commissioner as specialty lines insurance producers (producers) to sell insurance on behalf of an insurer. Unless they are licensed, they may not offer, sell, or solicit the purchase of self-service storage insurance (insurance). They may, however, continue to display and make available materials from authorized insurers.

Applications for licensure must include a written application with verification and certification from the insurer. Producers must provide written disclosure materials at all locations with a summary of the material terms of insurance and other specified information.

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Producers must submit and maintain with the commissioner a list of employees authorized to sell insurance. They must also provide a training and education program for authorized employees that meets requirements set out in statute. The training program must be approved by the commissioner. The commissioner must respond to receipt of training program materials within 30 days or is deemed to have approved the program.

The commissioner may adopt rules to implement this chapter, and fees are specified. Proceeds from required fees are directed to the General Fund.

**Appropriation:** None.

**Fiscal Note:** Available.

[OFM requested ten-year cost projection pursuant to I-960.]

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill takes effect on July 1, 2010.