



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4485 (Substitute S-1 as reported)
Sponsor: Representative Bruce R. Rendon
House Committee: Regulatory Reform
Senate Committee: Insurance

CONTENT

The bill would amend the Insurance Code to allow self-service storage facilities to offer insurance to their customers without an insurance producer license if the only sale of insurance were stored property insurance sold in connection with the rental of a storage space in a self-service storage facility under a rental agreement for not more than one year.

The bill would require the following written disclosure materials to be provided to a customer at the time of the solicitation:

- A disclosure that the insurance might duplicate coverage already provided by the customer's renters, homeowners, or other insurance policies.
- A summary of the terms of the coverage, including: a) the identity of the insurer, b) the benefits of the coverage, and c) the key terms and conditions of the coverage.
- A summary of the process for filing a claim.

The bill would define "stored property insurance" as "insurance that provides coverage for the loss of, or damage to, tangible personal property contained in a storage space located on a self-service storage facility or in transit during the term of a self-service storage facility rental agreement". The insurance would have to be sold either under an individual policy, or under a group, commercial, or master policy issued to a self-storage facility for the purpose of providing insurance to its customers.

The bill would define "self-service storage facility" as it is defined in the Self-Service Storage Facility Act: "any real property designed or used for the purpose of renting or leasing individual storage space to tenants who are to have access to that space for the purpose of storing and removing personal property".

MCL 500.1202

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would have an indeterminate but likely nominal impact on the Department of Insurance and Financial Services. People who sold insurance policies solely in connection with renting storage space under leases for less than a year would be exempt from obtaining a license and paying the associated \$10 fee. The number of people who would meet these criteria is unknown. The Department would see a reduction in revenue that corresponded to the number of eligible insurance producers that would fall under the bill's exception.

Date Completed: 12-10-14

Fiscal Analyst: Glenn Steffens

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Bill Analysis @ www.senate.michigan.gov/sfa

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