

EXEMPT SELLERS OF STORAGE INSURANCE FROM LICENSURE UNDER INSURANCE CODE

Phone: (517) 373-8080
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House Bill 4636 as introduced
Sponsor: Rep. Bruce R. Rendon
Committee: Regulatory Reform
Complete to 9-8-15

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4636 would amend the Insurance Code to exempt from licensure as an insurance producer (i.e., an agent), individuals whose only sale of insurance is for property stored at a storage facility, as long as they have provided certain disclosure information to customers.

Specifically, the exemption would apply when the sale of insurance is for stored personal property sold in connection with and incidental to the rental of storage space in a self-service storage facility under a rental agreement not to exceed one year, if written disclosure material is provided to the customer at the time of solicitation and contains all the following information:

- A disclosure that the stored property insurance may duplicate coverage already provided by the customer's homeowners, renters, or other insurance policies.
- A summary of the material terms of the stored property insurance coverage, including all of the following:
 - The identity of the insurer.
 - The benefits of the coverage.
 - The key terms and conditions of the coverage.
- A summary of the process for filing a claim.

The term self-service storage facility would mean the same as it does in Section 2 of the Self-Service Storage Facility Act, which defines it as "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."

Stored property insurance would be defined as insurance that provides coverage for the loss of, or damage to, tangible personal property with an insured value not exceeding \$10,000 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, and that is sold under a group, commercial, or master policy issued to a self-service storage facility for the provision of insurance to its customers.

MCL 500.1202

FISCAL IMPACT:

House Bill 4636 would have a nominal fiscal impact on the Department of Insurance and Financial Services (DIFS) to the extent that individuals who sell insurance in connection and incidental to the rental of storage space in a self-service storage facility would no longer require licensure as an insurance producer. It is not known how many, if any, such individuals are currently licensed as insurance producers. Licensure fees for insurance producers are \$10 for application for perpetual licensure.

BACKGROUND INFORMATION:

A similar bill, House Bill 4485, was introduced in the 2013-14 legislative session. For a discussion of that bill and its history, see:

[http://www.legislature.mi.gov/\(S\(oz2xxxu1enp5v5b232uvyb4a\)\)/mileg.aspx?page=getObject&objectName=2013-HB-4485](http://www.legislature.mi.gov/(S(oz2xxxu1enp5v5b232uvyb4a))/mileg.aspx?page=getObject&objectName=2013-HB-4485)

Legislative Analyst: Josh Roesner
Fiscal Analyst: Paul Holland

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