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BILL



ANALYSIS

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House Bill 4636 (Substitute H-2 as reported without amendment)

Sponsor: Representative Bruce R. Rendon

House Committee: Regulatory Reform

Senate Committee: Insurance

### **CONTENT**

The bill would amend the Insurance Code to allow a self-service storage facility to offer stored property insurance to its customers without an insurance producer license, if the rental agreement for storage space in the facility did not exceed 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 material terms of the insurance coverage, including the identity of the insurer, the benefits of the coverage, and 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 with a maximum insured value of \$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. The insurance would have to be provided under a group or master policy issued to a self-storage facility for the purpose of providing insurance to its customers.

MCL 500.1202

Legislative Analyst: Julie Cassidy

### **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 who would fall under the bill's exception.

Date Completed: 3-24-16

Fiscal Analyst: Glenn Steffens