

LD 1494, An Act To Create Limited Lines Self-storage Insurance

SUMMARY:

This bill creates self-storage insurance as a limited line insurance that provides coverage against loss or damage to the personal property of a self-storage customer that occurs while the property is inside a self-storage space or in transit to or from a self-storage facility. The bill permits certain self-storage providers and their employees to sell or offer self-storage insurance to customers who rent or lease self-storage space. The bill describes the application process for a self-storage insurance limited lines license and requires that self-storage providers obtain a limited lines license or receive training from a licensed insurer before selling or offering self-storage insurance to a customer. The bill requires that certain disclosures be made to customers when selling or offering self-storage insurance, describes the duration and fees associated with a limited lines license and authorizes the Superintendent of Insurance to assess penalties for violations of the provisions related to self-storage insurance.

TESTIMONY: Written testimony can be found at this [link](#)

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ISSUES FOR CONSIDERATION:

1. As drafted, the bill adds self-storage insurance as a new type of limited lines insurance. The sale of self-storage insurance would be permitted by employees of a self-storage facility holding a limited lines license to sell that insurance to its customers without requiring each employee to be individually licensed as an insurance producer if certain conditions outlined in the bill are met. Under current law in the Insurance Code, portable electronic device insurance and travel insurance may be offered as limited lines insurance products. See 24-A MRSA, chapters [89](#) and [90](#).
2. The Bureau of Insurance suggested that the committee consider technical changes to the bill:
 - Clarify the language in section 7504, subsection 1, paragraph C to reflect that employees of self-storage facilities selling this product may not hold themselves out as other than a limited lines insurance producer; and
 - Add a specific provision related to the fees for a self-storage insurance limited lines license or to specifically refer to self-storage insurance providers in the section cross-referenced in the bill—consider the appropriate fee?
3. Proponents of the bill suggested a technical change to the definition of “location” to specify the location of a self-storage facility.

FISCAL INFORMATION:

Not yet determined