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

Joint Standing Committee on Health Coverage, Insurance and Financial Services

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Representative Tepler and honorable colleagues of the Health Coverage, Insurance and Financial Services Committee, as you know I am Senator Heather Sanborn and I represent Senate District 28, which includes part of Portland and part of Westbrook. I’m here today to introduce LD 1494, “An Act To Create Limited Lines Self-storage Insurance.”

Today, nearly 1 in 10 U.S. households rent a self-storage unit. When someone rents one of these units, they are responsible for the care, custody and control of the property inside, and the storage owner’s insurance does not cover their property. Approximately 50% of storage tenants are in transition – for example, moving in connection with military service or college graduation or study abroad, employees on extended assignment outside of their state or the country, or downsizing following divorce or death in the family – and do not have a homeowner’s or rental insurance policy covering their stored property.

Stand-alone insurance coverage for stored property is not typically offered by insurance agents because commission payments are low. Moreover, it may make economic sense for those storage tenants that do have some homeowner’s coverage to choose a storage policy because their homeowner’s policy may have high deductibles, or the value of property stored exceeds coverage limitations, and claims made against the separate storage policy would not impact their primary policy.

This bill would allow self-storage vendors to hold a limited lines license to ONLY offer this specialized policy. Consumer protections, license requirements, regulatory oversight and enforcement authority are all included in the bill and patterned on current Maine law.

40 states have solved this gap in available coverage by permitting storage owners to offer storage insurance to their tenants. New Hampshire and Wisconsin are currently considering bills just like this one. These insurance policies are underwritten by companies such as AIG, Great American, and Hanover. Monthly cost ranges from \$10 to \$20, depending on the coverage limits.

Thank you for your time, and I would be happy to try and answer any questions you may have.