
A BILL FOR AN ACT

RELATING TO INSURANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature recognizes that limited lines
2 licenses are common solutions for insurance in industries such
3 as self-service storage. Specifically, self-service storage
4 facilities offer customers an affordable insurance option if
5 those customers do not have a homeowners' or renters' insurance
6 policy, which would typically cover the contents within a
7 storage unit. Many of the customers of self-storage facilities
8 are not insured under a homeowners' or renters' insurance policy
9 and are unlikely to seek insurance from the traditional
10 insurance market. Moreover, the generally short-term and
11 low-cost nature of the underlying storage unit contract provides
12 little economic incentive for insurance agents to pursue self-
13 service storage customers on a regular basis, thus making it
14 difficult for people wishing to procure insurance to protect the
15 value of their stored property. Accordingly, authorizing the
16 insurance commissioner to issue limited licenses for self-
17 service storage facility insurance would provide people with a



1 more accessible means to obtain optional affordable coverage for
2 their stored property.

3 The purpose of this Act is to authorize the insurance
4 commissioner to issue a limited license for the solicitation or
5 sale of insurance to a self-storage facility customer for the
6 loss of, or damage to, personal effects or property stored at a
7 self-service storage facility.

8 SECTION 2. Section 431:9A-107.5, Hawaii Revised Statutes,
9 is amended by amending subsection (a) to read as follows:

10 "(a) Notwithstanding any other provision of this article,
11 the commissioner may issue:

12 (1) A limited license to persons selling travel tickets of
13 a common carrier of persons or property who shall act
14 only as to travel ticket policies of accident and
15 health or sickness insurance or baggage insurance on
16 personal effects;

17 (2) A limited license to each individual who has charge of
18 vending machines used in this State for the
19 effectuation of travel insurance;

20 (3) A limited license to any individual who sells policies
21 of accident and health or sickness insurance as a



1 promotional device to improve the circulation of a
2 newspaper in this State; [~~or~~]

3 (4) A limited line credit insurance producer license to
4 any individual who sells, solicits, or negotiates
5 limited line credit insurance [~~-~~]; or

6 (5) A limited license to any owner, operator, or employee
7 of a self-service storage facility to sell or solicit
8 insurance, who shall act only as to master, corporate,
9 individual, or group policies of property insurance on
10 property or personal effects stored in a tenant's
11 space at a self-service storage facility."

12 SECTION 3. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 4. This Act shall take effect upon its approval.



Report Title:

Insurance Producers; Limited License; Self-Storage Facilities

Description:

Authorizes the Insurance Commissioner to issue limited licenses to self-storage facilities so that the facilities may sell to their tenants property insurance that covers the tenants' stored property. (HB 260 HD1)

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