

Honolulu, Hawaii

FEB 12 2019

RE: S.B. No. 817
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 817 entitled:

"A BILL FOR AN ACT RELATING TO SELF-SERVICE STORAGE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize the sale of stored property insurance by self-service storage facility owners under certain conditions; and
- (2) Require self-service storage owners to hold a limited lines license to sell, solicit, or offer coverage under a stored property insurance policy.

Your Committee received testimony in support of this measure from the Self Storage Association and StorQuest Self Storage. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that property stored in a self-service storage unit is in the care, custody, and control of the storage tenant. Therefore, the storage tenant is responsible for insuring the property. Approximately fifty percent of storage tenants are in transition and do not have a homeowner's policy or renter's insurance policy covering their stored property, while tenants

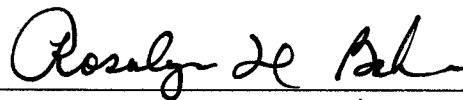


that do have homeowner's or renter's insurance are subject to a much larger deductible. Your Committee further finds that stand-alone insurance coverage for stored property is not typically offered by insurance agents because the commission payments are low. Thirty-one states have solved this gap in coverage by allowing self-service storage facilities to offer their tenants storage insurance, which generally has low monthly premiums and low deductibles. This measure fills the existing gap in the State's insurance market and allows licensed self-service storage facility owners to provide stored property insurance.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 817, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 817, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Health,



ROSALYN H. BAKER, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:* <i>SB 817</i>	Committee Referral: <i>CPH, NAM</i>	Date: <i>2/5/19</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
CHANG, Stanley (VC)	✓			
KEOHOKALOLE, Jarrett	✓			
NISHIHARA, Clarence K.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
FEVELLA, Kurt				✓
TOTAL	6			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes