

Honolulu, Hawaii
March 3, 2016

RE: H.B. No. 260
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 260, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to authorize the Insurance Commissioner to issue a limited license for the solicitation or sale of insurance to a self-storage facility customer for the loss of, or damage to, personal effects or property stored at a self-service storage facility.

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

Your Committee finds that a self-storage limited lines license for self-storage insurance may be justified. There is a definite need for this line of insurance in areas with high rates of transiency such as West Maui and Waikiki, because many residents in those areas do not have homeowner's or renter's insurance. Your Committee also finds that twenty other states already offer self-storage insurance and that authorizing a new line of insurance will expand the alternatives available to consumers in Hawaii, without being misleading. In light of the foregoing reasons, your Committee is unpersuaded by the Insurance Commissioner's testimony expressing concerns regarding the



establishment of a new limited lines license for self-storage insurance. Your Committee therefore believes that this measure merits further consideration.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 260, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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



ANGUS L.K. MCKELVEY, Chair



