
A BILL FOR AN ACT

RELATING TO INSURANCE.

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

1 SECTION 1. The legislature finds that self-service storage
2 facilities offer customers stored property insurance as an
3 affordable insurance option if those customers do not have a
4 homeowners' or renters' insurance policy. Stored property
5 insurance policies typically insure the contents within a
6 storage unit located at a storage facility.

7 The legislature also finds that many of the customers of
8 self-service storage facilities do not have homeowners' or
9 renters' insurance policies and are unlikely to seek insurance
10 from the traditional insurance market for their storage facility
11 unit. Moreover, the generally short-term and low-cost nature of
12 a storage unit rental provides little economic incentive for
13 insurance companies to pursue stored property insurance
14 customers on a regular basis. This makes it difficult for
15 individuals wishing to purchase insurance to protect the value
16 of their stored property. Affording individuals the opportunity
17 to purchase insurance at the point of rental will provide a more



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

3 The purpose of this Act is to exempt individuals selling
4 only insurance for property stored at a self-service storage
5 facility from obtaining a license as an insurance producer
6 provided that specific requirements are met.

7 SECTION 2. Section 431:9A-104, Hawaii Revised Statutes, is
8 amended by amending subsection (b) to read as follows:

9 "(b) A license as an insurance producer shall not be
10 required of the following:

11 (1) An officer, director, or employee of an insurer or of
12 an insurance producer; provided that the officer,
13 director, or employee does not receive any commission
14 or remuneration on policies written or sold to insure
15 risks residing, located, or to be performed in this
16 State and:

17 (A) The officer, director, or employee's activities
18 are executive, administrative, managerial,
19 clerical, or a combination of these and are only
20 indirectly related to the sale, solicitation, or
21 negotiation of insurance;



- 1 (B) The officer, director, or employee's functions
2 relate to underwriting, loss control, inspection,
3 or the processing, adjusting, investigating, or
4 settling of a claim on a contract of insurance;
5 or
- 6 (C) The officer, director, or employee is acting in
7 the capacity of a special agent or agency
8 supervisor, assisting insurance producers where
9 the person's activities are limited to providing
10 technical advice and assistance to licensed
11 insurance producers and do not include the sale,
12 solicitation, or negotiation of insurance;
- 13 (2) A person who secures and furnishes information
14 regarding group life insurance, group property and
15 casualty insurance, group annuities, group or blanket
16 accident and health or sickness insurance, for the
17 purpose of enrolling individuals or issuing
18 certificates under such plans, or otherwise assisting
19 in administering the plans, or who performs
20 administrative services related to mass marketed



- 1 property and casualty insurance, where no commission
2 is paid to the person for the service;
- 3 (3) An employer or association or its officers, directors,
4 employees, or the trustee of any employee trust plan,
5 to the extent that the employer, association,
6 officers, employees, directors, or trustees are
7 engaged in the administration or operation of a
8 program of employee benefits for the employer's or
9 association's own employees or the employees of its
10 subsidiaries or affiliates, which program involves the
11 use of insurance issued by an insurer, so long as the
12 employers, associations, officers, directors,
13 employees, or trustees are not in any manner
14 compensated, directly or indirectly, by the company
15 issuing the contracts;
- 16 (4) Employees of insurers or organizations employed by
17 insurers who are engaging in the inspection, rating,
18 or classification of risks, or in the supervision or
19 the training of insurance producers, and who are not
20 individually engaged in the sale, solicitation, or
21 negotiation of insurance;



- 1 (5) A person whose activities in this State are limited to
2 advertising without the intent to solicit insurance in
3 this State through communications in printed
4 publications or other forms of electronic mass media,
5 whose distribution is not limited to residents of this
6 State; provided that the person does not sell,
7 solicit, or negotiate insurance that would insure
8 risks residing, located, or to be performed in this
9 State;
- 10 (6) A person who is not a resident of this State who
11 sells, solicits, or negotiates a contract of insurance
12 for commercial property and casualty risks to an
13 insured with risks located in more than one state
14 insured under that contract; provided that the person
15 is otherwise licensed as an insurance producer to
16 sell, solicit, or negotiate that insurance in the
17 state where the insured maintains its principal place
18 of business and the contract of insurance insures
19 risks located in that state; [~~e~~]
- 20 (7) A salaried, full-time employee who counsels or advises
21 the person's employer relative to the insurance



1 interests of the employer or of the subsidiaries or
2 business affiliates of the employer; provided that the
3 employee does not sell or solicit insurance or receive
4 commissions [-]; or

5 (8) A person whose only activity is the solicitation of
6 stored property insurance sold in connection with and
7 incidental to the rental of storage space in a self-
8 service storage facility under a rental agreement for
9 a period not to exceed one year; provided that:

10 (A) The person does not receive a commission for
11 stored property insurance sold pursuant to that
12 solicitation;

13 (B) Solicitation material is clearly for
14 informational purposes only;

15 (C) The insurance provider shall be responsible for
16 the person soliciting the stored property
17 insurance;

18 (D) Written disclosure material is given to the
19 customer for informational purposes only at the
20 time of solicitation and the written material
21 includes:



- 1 (i) A disclosure that solicitors are not
- 2 licensed and the stored property insurance
- 3 is not required under state law and may
- 4 duplicate coverage already provided by the
- 5 customer's homeowners, renters, or other
- 6 insurance policies;
- 7 (ii) A summary of the material terms of the
- 8 stored property insurance coverage,
- 9 including the identity of the insurer; and
- 10 (iii) A summary of the process for filing a claim.

11 For the purposes of this paragraph:

12 "Self-service storage facility" has the same meaning
13 as in section 507-61.

14 "Stored property insurance" means insurance under a
15 group or master policy issued to a self-service storage
16 facility to provide insurance coverage to its customers for
17 the loss of, or damage to, tangible personal property that
18 is contained in a storage space located at a self-service
19 storage facility or is in transit during the term of a
20 self-service storage facility rental agreement; provided



1 that the insured value of the policy shall not exceed
2 \$10,000."

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

5 SECTION 4. This Act shall take effect on July 1, 2099.



Report Title:

Self-service storage facilities; Insurance

Description:

Exempts individuals selling only insurance for property stored at a self-service storage facility from obtaining a license as an insurance producer provided that specific requirements are met. (HB894 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

