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 selfservice 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

State of Hawaii House of Representatives The Twenty-eighth Legislature

HSCR 731-16

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.:	Committee Referral:	Date:	2-	24-16
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	\			
2. WOODSON, Justin H. (VC)				
3. BELATTI, Della Au				
4. BROWER, Tom			•	
5. CREAGAN, Richard P.	\			
6. HAR, Sharon E.	\			
7. HASHEM, Mark J.				
8. KAWAKAMI, Derek S.K.				
9. LEE, Chris				
10. NAKASHIMA, Mark M.	\			
11. OSHIRO, Marcus R.				
12. SAN BUENAVENTURA, Joy A.	N N			
13. TAKAYAMA, Gregg	\			
14. YAMANE, Ryan I.				\
15. FUKUMOTO CHANG, Beth				
16. McDERMOTT, Bob	\			
TOTAL (16)	15.	0	0	\
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				