

First Self Storage Tenant Insurance Exemption

By Tim Dietz, SSA Chief Operating Officer



On May 15, Minnesota Governor Mark Dayton signed a landmark bill for the self storage industry: the first statute that specifically exempts the industry from general insurance requirements. The new law differs from other self storage-specific insurance laws throughout the country because regulators in the "Land of 10,000 Lakes" decided that they did not want to administer a limited-lines licensing program, which has been the model for self storage tenant insurance elsewhere. Specifically, the language reads in part:

An owner or the owner's employees and agents may offer or sell the kinds of insurance described in this section in connection with and incidental to the rental of space at a self-service storage facility. An owner and the owner's employees and agents are exempt from sections 60K.30 to 60K.56, with respect to the sale of this insurance.

Other industries, such as rental cars and mobile electronics, received the same treatment in Minnesota; however, as with those other sectors, the law comes with many regulations which will require compliance on the part of self storage and their chosen insurance companies. Specifically, the self storage company will have to submit a written form notifying officials of their intent to offer tenant insurance and the locations where they will be offering it. That form will be provided by the Insurance Division of the state's Commerce Department.

The regulation also stipulates that the owner is responsible for the actions of its employees and provides expectations for marketing practices. The new law becomes effective August 1, 2015. Look for more information from the SSA and your insurance companies during the months ahead.

This is the second law over the past two years supported by the SSA and the SSA-managed MN-SSA. The updated Minnesota lien law enhanced the default process for the sector last year. An annotated lien booklet delineating those changes is available at www.selfstorage.org.

Additionally this year, the SSA is working with state associations on insurance measures in Massachusetts, Michigan, Missouri, Pennsylvania and Wisconsin. The Virginia Self Storage Association also updated its limited-lines insurance law this year. More than 65 percent of facilities throughout the country now have a clear, regulated path for operators to provide self storage tenant insurance. ❖



Minnesota Governor Mark Dayton

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