Self Storage, Mobile Storage and Insurance

By D. Carlos Kaslow, Esq. – SSA General Counsel

Storage operators expect claims from tenants. They draft rental agreements with contractual provisions designed to limit liability for loss of or damage to stored property and for the rare claim for bodily injury. While a good rental agreement can limit an owner's liability to customers for loss of or damage to stored property or bodily injury, this is not enough. What is sometimes forgotten is that lawsuits are not only brought by tenants, and the rental agreement offers little protection against suits brought by non-signatories. Two trial court verdicts demonstrate that both self storage and mobile storage operators may be sued by the unexpected plaintiff.

The first, *Doe Child v. Roe Storage Facility* was reported in *New England Jury Verdicts Review and Analysis.* It involved a Massachusetts self storage facility that was sued by a young child who fell down an 18 foot hole on the premises. The circumstances are interesting. The child was brought to the facility by her mother. The hole was covered by a piece of plywood. The mother's boyfriend, who was helping in the move, removed the plywood cover to use it as a ramp into the storage space. The child fell down the hole and was badly injured. The suit alleged that the facility was negligent for not installing a permanent non-removable cover over the hole in the floor. The suit ultimately settled for $350,000.

The other verdict was in *Chima v. South Hall Express Delivery Storage*, 2011 AL Civil Trial Rptr. LEXIS 5, and involved a mobile storage operator who was sued when a vehicle crashed into a mobile storage container that was allegedly parked directly in the lane of travel. The plaintiff also claimed that he was unable to see the mobile storage container in time to avoid the collision because there were no warnings, such as reflectors or cones, in the roadway. The trial judge dismissed the suit against the mobile storage operator.

What both of these cases demonstrate is that liability insurance specifically designed for business needs should not be neglected. The Massachusetts storage operator needed a policy that would cover bodily injury claims like those brought by the child. This was an extremely unusual event at a self storage facility and it involved an unlikely plaintiff, a child. However, events like this do happen and it is liability insurance with adequate limits, not a well-drafted rental agreement, that affords the best financial protection.

The second suit demonstrates that off-premises liability insurance coverage can be very important to mobile storage operators and self storage operators who offer this service. Mobile storage containers are often left on public streets. Vehicle accidents involving mobile storage containers do occur. Accidents involving children who may think that a mobile storage container is a place to play are not uncommon. Here again the right kind of liability insurance is a necessity. Liability coverage cannot be limited to the storage facility premises. It must also provide the operator coverage for accidents involving containers when they are not on the premises.

Commercial liability insurance is not a simple product and an insurance agent who knows both the operator's business and the insurance markets performs a valuable service. A self storage operator who decides to "try out" mobile storage would be wise to discuss this business with his or her insurance agent before putting containers out on the street or customer driveways. Litigating a successful lawsuit is expensive and paying a six figure judgment can bankrupt a small business. ❖

FOR SALE – Build or Expand Your Business

View these and other sites at: www.pierce-hardy.com

City, State	Acres	Main Building	Zoning
Chandler, AZ	7.90	16,900 S.F.	PAD
Auburn, CA	9.87	44,300 S.F.	C3
Hesperia, CA (truss)	8.61	3,600 S.F.	I-2
New Castle, IN	10.00	17,290 S.F.	C1
Grand Rapids, MI	6.78	17,820 S.F.	I-2
Waveland, MS	6.33	20,458 S.F.	C-3
Cliffwood, NJ	8.80	19,788 S.F.	HC
Farmingdale, NJ	8.52	24,400 S.F.	H-B
Vineland, NJ	5.82	30,000 S.F.	HI
Port Jefferson, NY	6.45	19,500 S.F.	L-I
Newburgh, NY	8.82	17,290 S.F.	IB
Austintown, OH	7.80	16,966 S.F.	B-2
Oklahoma City, OK	10.00	34,450 S.F.	I-2
Erie, PA	5.51	24,400 S.F.	LI
N.Charleston, SC	7.68	34,450 S.F.	M-2
McAllen, TX	8.59	34,450 S.F.	I-1
Wrightstown, WI	9.83	34,450 S.F.	I-1

For details and/or to arrange a site tour, call 724-228-3636