



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 504

PRINTERS NO. 3297

PRIME SPONSOR: Charlton

COST / (SAVINGS)

FUND	FY 2017/18	FY 2018/19
General Fund	\$0	See Fiscal Impact
Insurance Regulation & Oversight Fund	\$0	

SUMMARY:

House Bill 504 amends the Insurance Department Act concerning self-service storage facility insurance. It would take effect in 60 days.

ANALYSIS:

House Bill 504 amends the Insurance Department Act by adding a new article on self-service storage facility insurance. It would allow owners of self-service storage units to obtain a limited license from the Pennsylvania Insurance Department (PID) to sell insurance to those renting storage space to cover the contents of the storage units. In addition, an employee or any other person authorized by the owner to manage the self-service storage facility will be able to sell such insurance coverage as an agent of the licensee as long as they have been provided proper training.

The bill also requires the limited licensee to provide written material to a prospective occupant which gives a summary of the insurance coverage, its cost, the process for filing a claim and other details about the coverage. The limited licensee must also disclose in writing that the self-service storage unit insurance may provide a duplication of coverage already provided by an occupant's homeowner's insurance policy, renter's insurance policy, vehicle insurance policy, watercraft insurance policy, or other source of property insurance coverage.

FISCAL IMPACT:

The limited lines license established in House Bill 504 would last for two years and would cost \$55 for a Pennsylvania resident and \$110 for a non-resident, based on current law. Any revenue produced by this fee would be split evenly between the General Fund and the Insurance Regulation and Oversight Fund (IROF). According to information provided by the PID, it is estimated there are 700 self-storage facility owners in Pennsylvania. It is unknown how many would acquire a license under House Bill 504, but the PID estimates the additional revenue to the General Fund and IROF would amount to less than \$10,000 per year per fund.

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House Appropriations Committee (R)

DATE: April 17, 2018

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.