

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sSB-981

AN ACT CONCERNING SELF-SERVICE STORAGE INSURANCE.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 20 \$	FY 21 \$
Insurance Dept.	GF - Potential Revenue Gain	Less than 90,000	Less than 90,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill establishes a “self-service storage insurance license” through the Insurance Department. To the extent such licenses are solicited and granted, the bill results in a revenue gain to the General Fund from the following fees:¹

1. Fee for initial application: \$100
2. Fee for initial license: \$500
3. Fee for biennial renewal license: \$450

According to the U.S. Bureau of Labor Statistics, there were 145 “miniwarehouse and self-storage unit operator” establishments in Connecticut in 2017.² Initial fee revenue, in the unlikely case that 145

¹ Self-service storage owners offering such insurance under current law must have a property and casualty (P&C) insurance license. To the extent that such owners terminate their P&C licensure in favor of the self-service storage insurance license, some of the fee revenue will be offset.

² This number should be viewed as a maximum. An owner may own multiple establishments and some of the 145 establishments may not meet the definition of “self-service storage facility” in the bill.

owners were granted licenses on January 31, 2020, would equal \$87,000 for FY 20. Those licensees could then apply for a renewal after two years, for \$65,250 in renewal fee revenue for FY 22.

There is no anticipated cost to the Insurance Department, given expected application volume and that the dates for licensing and renewal in the bill appear to permit the Department to align this licensing program with current practice.

The Out Years

The potential revenue from new and renewal licensing fees as identified above would continue into the future subject to demand for self-service storage insurance licenses.

*Sources: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, NAICS 53113.
Connecticut Insurance Department*