

MiniCo Coverages in Action



Commercial Self-Storage
Insurance

Coverage

Action Example

■ Customers Goods Legal Liability

Coverage against loss or damage to customers' personal property for which the insured may become legally liable, including property stored in the open. Also includes defense against allegations.

○ A tenant informed the facility manager that he could see sunlight coming in through the corner of his unit's roof. The manager told the tenant that he would get it repaired. Six months later, a large rain storm soaked through the roof and ruined the tenant's valuable antique furniture. The owner was contacted by an attorney stating that the damaged furniture resulted in a loss to his client. The owner was found to be negligent by failing to repair the known issue with the roof, and the tenant received a substantial payment for his claim.

■ Sale and Disposal Liability

Coverage for claims against the insured for negligent acts arising from the lockout, sale, removal or disposal of customers' property when reclaiming rented space for which rental or other charges are delinquent or unpaid. Also includes defense against allegations.

○ A tenant fell delinquent, and, after four months of failing to make rent payments, her items were sold at auction. The self-storage owner felt that he followed all applicable laws and rules in notifying the tenant prior to the auction. One month later, the owner was contacted by the tenant's attorney stating that the owner was negligent for failing to adhere to a specific statute requiring the owner to send notice to tenants by certified mail. The owner was found to be negligent by not notifying the tenant by certified mail of the status of her delinquency.

■ Limited Pollutant Removal

Pays for costs to remove pollutants from or detoxify a storage unit when required by statutory authority. Coverage is afforded to all the spaces at the covered facility, not just to units that are rented after the date of coverage.

○ Though the facility's lease agreement specifically prohibits the storage of toxic materials, a tenant stored several 55-gallon drums of pollutants in his unit for two years. Upon move out, the owner discovered the drums and contacted the appropriate authorities who advised him that they needed to appropriately remove the pollutants. The cost of removal and detoxification was covered under the insured's Limited Pollutant Removal endorsement.

■ Employment Practices Liability

Coverage for claims against the insured for wrongful employment practices. Includes defense against allegations (claims made).

○ A facility owner was forced to fire one of his employees due to poor work performance. Later, the terminated employee filed a wrongful termination suit against the facility owner and claimed she was fired because she is a woman. Even though the insured did nothing wrong, the potential legal bills can be overwhelming.

■ Data Compromise

Coverage provides a variety of assistance to insureds pertaining to a wide range of possible data breaches such as electronic theft or hacking.

○ A facility owner discovered that one of his employees has been using client information to apply for credit at a local bank. The employee was fired but the owner now has a legal obligation to notify all of the facility's customers that their personal information may have been compromised.

■ Employee Resident Manager's Personal Liability

Protects the insured from liability arising from the actions of a resident manager when the manager is on the insured's premises.

○ During off hours the facility manager invited a friend over to watch a ball game. After a few beers, the friend tripped on a rug and hit his head on a nearby coffee table and was taken to the emergency room for treatment.



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