

Finding the Perfect Fit

Healthy diversity reigns among insurance coverage options for the self storage industry.

By Mark Wright

Businesses have faced the need to manage risk since at least the late middle ages, when shiploads of products from European merchants started falling prey to bad weather and sword-wielding pirates, according to the American Insurance Association.

While few self storage owner/operators today spend time scanning the horizon for ships flying the jolly roger, a variety of factors nonetheless require them to make smart choices about managing risk. Fortunately, a number of companies specialize in helping insure against the risks specific to self storage.

Just as owner/operators strive to differentiate their storage business from competitors, so too do insurance providers. Each of these companies has crafted an approach that offers facilities and tenants alike a healthy range of choices and that positions their brand distinctively in the marketplace.

Setting Themselves Apart

“We have everything under one roof here,” said Josh Nicholson, VP of sales and marketing at Bader Company in

Indianapolis. “That gives clients the ability to control their program through one source—us. Claims, software integration, whatever, they have one point of contact who can help. And customer service is paramount in everything we do.”

“We consider ourselves the best in the business, because we consider ourselves the best in service,” added Tim Parnell, Bader Company’s client development director. “We have a vested interest. As an ESOP [Employee Stock Ownership Plan], each individual employee is a stockholder. So, service is part of our corporate culture.”

Not surprisingly, service is also emphasized by Phoenix-based Deans & Homer. “We operate uniquely from all of our competitors in insurance,” said underwriter Kay Schaefer. “Each employee is not just the insurance underwriter, but is also responsible for the handling of claims, issuance of policies and handling of any issues that arise for our clients.

“Most companies have one person as underwriter, another issues the policy and another handles the claim,” Schaefer added. “But we want to get to know our clients, and vice

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Members of Bader’s management team (pictured left to right) discuss strategy: Josh Nicholson; Chuck Dodge; Richard Witka; Tim Parnell; and Christy Lewis.

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versa, which is better for making sure our insureds' needs are met."

MiniCo Insurance Agency LLC, also located in Phoenix, pointed to its 40+ years in the industry as a key element. "We have the largest group of insurance underwriters dedicated to the self storage industry," said President & CEO Mike Schofield. "We have capabilities to write both admitted and not-admitted paper, which allows us the flexibility that's sometimes needed to write a risk."

"We're also the only company that underwrites both commercial and tenant insurance," said Schofield. "We

Ensuring You're Insured

There are obviously a number of credible insurance companies storage operators can choose from, but it's imperative that owner/operators read a policy closely before making a decision.

Danielle Klaus, senior director of operations at Your Space Storage in McMinnville, Oregon (and an Oregon SSA advisory board member), recalled a bad experience she had with one company following a facility break-in.

"The insurer required a cut-off to be found before they would pay the claim," Klaus said. In their latest search for an insurer, she focused on finding a company "that had reasonable criteria and would actually pay a claim."

Klaus, a 28-year industry veteran, advises fellow owner/operators to "look at the fine print and see exactly what they do and don't cover, and what their claims process is like. Know what it is you're paying for."

Tom Nunnally, managing partner of Northeast Heights Self Storage in Albuquerque, New Mexico (and New Mexico SSA advisory board chairman), exercises similar due diligence when reviewing his facilities' coverage.

"We shop our property-casualty for each of our facilities every year," he said—a practice he strongly recommended other owner/operators follow. "Shop everything every year. Don't get complacent and just pay the bill."

Nunnally uses an insurance aggregator to handle that process, not only for property-casualty but also for their health insurance, liability umbrella and other policies. He also advised using a company that understands self storage.

Another money-saving tip: "Owners should make sure they are separating the square footage of their buildings out, so they're insuring each building separately for fire. That should cut down on their premium, because if one catches fire it won't burn others down. At one of our properties we have 17 different buildings, each with its own building number and specific square feet. Our insurance company did not realize that a few years back and we were being charged as if it was one big building."

—Mark Wright

underwrite the risk, rate it, and handle the claims in-house with our staff of claims adjustors for both operators and tenants."

On The Move Insurance Agency, part of On The Move, Inc., located in Boerne, Texas, handles property and casualty and offers a tenant protection program through Lloyds of London, explained Account Executive Jacquelyn Nash. "We're agents for various carriers—and we work exclusively with self storage—but we're an agency, not an underwriter," she said.

"One of the great things about being a family business that used to have self storage facilities is that we're able to provide a valuable service to our operators because we understand their needs," noted Nash. "A lot of others tell them how to run their business, but we want to give them options. We are happy to provide insights and suggestions, but we don't force them into doing anything."



"We publish a monthly magazine and other specialty publications to inform and educate the self storage industry, not only on safety and loss control but also on various innovations, management, leadership."

~ Mike Schofield,
MiniCo Insurance Agency LLC

Branding & Educating

Each of these companies also has its own way of connecting with storage pros, from old-school, face-to-face attention to the latest in 21st century outreach techniques, including email and website marketing plus traditional print advertising. Some also spotlighted their SSA sponsorship as a valuable way of conveying industry engagement. (Bader Company is a Partner Plus and Event sponsor; MiniCo and On The Move are Patron sponsors.)

Nicholson said Bader Company uses a three-pronged approach: grassroots efforts (such as association events), e-marketing, and automation to drive personal contacts.

"We don't believe we can rest on the brand alone," he said. All the company's marketing efforts serve as feeder systems to create opportunities for conversations and facilitate personal contacts. "We hang our hat on our ability to touch people nationwide, through face-to-face and webinars," he said.

At MiniCo, said Schofield, "We differentiate ourselves with our education as well. We publish a monthly magazine and other specialty publications to inform and educate the self

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storage industry, not only on safety and loss control but also on various innovations, management, leadership. We created three loss-control videos in the past year, which are free on our website—and each includes a quiz so operators can use them to help with their employee training.”

Both On The Move and Deans & Homer emphasized the power of their respective branding.

“The truck program has been well received and strengthened our reputation,” said On The Move’s Nash. “So we’ve stood on our own with branding. Our biggest form of marketing is conferences. We like to have as much presence as possible at both state and national shows. We also have the advantage of visiting with existing On The Move truck customers.”



At Deans & Homer, said Schaefer, “We want to make sure our insureds are purchasing an insurance policy that fully protects them from the perils covered by the policy. Sometimes that means building in unique features to our policy and other times it means working closely with a client to handle their claim.”

Regardless of how each company differentiates itself in the marketplace, Nash observed that having these different options in the marketplace is “great for the consumer. A free market means everyone gets a better product and more competitive prices.” ❖

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