
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1494 Session of
2013

INTRODUCED BY WATSON, LAWRENCE, TOOHL, ROCK, ROZZI, TRUITT,
MILLARD, GINGRICH, SWANGER, COHEN, PETRI, CLYMER, QUINN AND
KORTZ, JUNE 10, 2013

REFERRED TO COMMITTEE ON INSURANCE, JUNE 10, 2013

AN ACT

1 Amending the act of May 17, 1921 (P.L.789, No.285), entitled, as
2 amended, "An act relating to insurance; establishing an
3 insurance department; and amending, revising, and
4 consolidating the law relating to the licensing,
5 qualification, regulation, examination, suspension, and
6 dissolution of insurance companies, Lloyds associations,
7 reciprocal and inter-insurance exchanges, and certain
8 societies and orders, the examination and regulation of fire
9 insurance rating bureaus, and the licensing and regulation of
10 insurance agents and brokers; the service of legal process
11 upon foreign insurance companies, associations or exchanges;
12 providing penalties, and repealing existing laws," providing
13 for self-service storage facility insurance.

14 The General Assembly of the Commonwealth of Pennsylvania
15 hereby enacts as follows:

16 Section 1. The act of May 17, 1921 (P.L.789, No.285), known
17 as The Insurance Department Act of 1921, is amended by adding an
18 article to read:

19 ARTICLE VI-B

20 SELF-SERVICE STORAGE FACILITY INSURANCE

21 Section 601-B. Self-service storage agents and license and
22 definitions.

23 (a) Department.--The Insurance Department may issue a self-

1 service storage agent license to an owner that has complied with
2 the requirements of this section authorizing the owner to offer
3 or to sell the kinds of insurance prescribed in this section in
4 connection with and incidental to the rental of space at a self-
5 service storage facility.

6 (b) Application.--An applicant for a self-service storage
7 agent license shall file a written application in a form
8 prescribed by the department. The application shall specify all
9 locations in this Commonwealth at which the self-service storage
10 agent may conduct business under the license. A self-service
11 storage agent is not required to have an individual licensee in
12 each self-service storage facility or place where insurance is
13 transacted. The self-service storage agent shall notify the
14 department within 30 days after commencing business under the
15 self-service storage agent's license at any additional locations
16 in this Commonwealth or of those locations in this Commonwealth
17 that cease to do business under the license.

18 (c) Sale of insurance.--A self-service storage agent may
19 offer or sell insurance only in connection with and incidental
20 to the rental of space at a self-service storage facility on a
21 master, corporate, commercial, group or individual policy basis
22 and only with respect to personal property insurance that
23 provides coverage to occupants at the self-service storage
24 facility where the insurance is transacted for the loss of or
25 damage to stored personal property that occurs at that facility.

26 (d) Requirements.--A self-service storage agent shall not
27 offer or sell insurance pursuant to this section unless:

28 (1) The self-service storage agent makes readily
29 available to the prospective occupant brochures or other
30 written materials that:

1 (i) Summarize the material terms of insurance
2 coverage offered to occupants, including the identity of
3 the insurer, price, benefits, exclusions and conditions.

4 (ii) Disclose that the policies offered by the self-
5 service storage agent may provide a duplication of
6 coverage already provided by an occupant's homeowner's
7 insurance policy, renter's insurance policy, vehicle
8 insurance policy, watercraft insurance policy or other
9 source of property insurance coverage.

10 (iii) State that if insurance is required as a
11 condition of rental, the requirement may be satisfied by
12 the occupant purchasing the insurance prescribed in this
13 section or by presenting evidence of other applicable
14 insurance coverage.

15 (iv) Describe the process for filing a claim.

16 (2) All costs related to the insurance are stated in
17 writing.

18 (3) Evidence of coverage in a form approved by the
19 insurer is provided to every occupant who purchases the
20 coverage.

21 (4) The insurance is provided by an insurer authorized
22 to transact the applicable kinds of insurance in this
23 Commonwealth or by a surplus lines insurer pursuant to
24 Article V.

25 (e) Employee or agent.--An employee or agent of a self-
26 service storage agent may act on behalf of and under the
27 supervision of the self-service storage agent in matters
28 relating to the conduct of business under the license that is
29 issued pursuant to this section. The conduct of an employee or
30 agent of a self-service storage agent acting within the scope of

1 employment or agency is deemed the conduct of the self-storage
2 agent for purposes of this section.

3 (f) Training.--Each self-service storage agent shall provide
4 a training program that gives employees and agents of the self-
5 service storage agent basic instruction about the provision of
6 this section, including the kinds of insurance coverage
7 prescribed in this section.

8 (g) Prohibitions.--A self-service storage agent shall not:

9 (1) Offer or sell insurance except in connection with
10 and incidental to the rental of space at a self-service
11 storage facility.

12 (2) Advertise, represent or otherwise portray itself or
13 any of its employees or agents as licensed insurers or
14 insurance producers.

15 (h) Exclusions.--Nothing in this section prohibits:

16 (1) An insurer from paying, and a self-service storage
17 storage agent from receiving, a commission, service fee or
18 other valuable consideration dependent on the sale of
19 insurance.

20 (2) A self-service storage agent from paying, and its
21 employees or agent from receiving, production payments or
22 incentive payments if the payments are not dependent on the
23 sale of insurance.

24 (i) Promotional materials.--An owner is not required to be
25 licensed pursuant to this section merely to display and make
26 available to prospective occupants brochures and other
27 promotional materials created by or on behalf of an authorized
28 insurer or by a surplus lines insurer pursuant to this article.

29 (j) Continuing education.--A self-service storage agent is
30 not subject to continuing education requirements.

1 (k) Definitions.--As used in this section, the following
2 words and phrases shall have the meanings given to them in this
3 subsection unless the context clearly indicates otherwise:

4 "Occupant." A person or the person's sublessee, successor or
5 assign who is entitled to the use of a leased space or spaces at
6 a self-service facility, to the exclusion of others.

7 "Owner." The owner or owner's managing agent of a self-
8 service storage facility.

9 "Personal property." Movable property that is not affixed to
10 land and includes:

11 (1) Goods, wares, merchandise, household items and
12 furnishings.

13 (2) Vehicles, motor vehicles, trailers and semitrailers.

14 (3) Watercraft and motorized watercraft.

15 "Self-service storage agent." An owner and/or self-storage
16 facility operator who is licensed pursuant to this section.

17 "Self-service storage facility." Any real property that is
18 used for renting or leasing storage space in which the occupants
19 themselves customarily store and remove personal property on a
20 self-service basis.

21 Section 2. This act shall take effect in 60 days.