

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 190 Session of 2017

INTRODUCED BY MCGARRIGLE, MARTIN, RAFFERTY, KILLION, STEFANO, VULAKOVICH, COSTA, RESCHENTHALER AND BROWNE, JANUARY 26, 2017

SENATOR WHITE, BANKING AND INSURANCE, AS AMENDED, JUNE 13, 2018

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," IN <--
13 INSURANCE PRODUCERS, FURTHER PROVIDING FOR DEFINITIONS AND
14 providing for self-service storage facility insurance. <--

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

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

ARTICLE VI B

21 SECTION 1. THE DEFINITION OF "LINE OF AUTHORITY" IN SECTION <--
22 601-A OF THE ACT OF MAY 17, 1921 (P.L.789, NO.285), KNOWN AS THE
23 INSURANCE DEPARTMENT ACT OF 1921, IS AMENDED AND THE SECTION IS
24 AMENDED BY ADDING A DEFINITION TO READ:

1 SECTION 601-A. DEFINITIONS.

2 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE  
3 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
4 CONTEXT CLEARLY INDICATES OTHERWISE:

5 \* \* \*

6 "LIMITED LINE SELF-SERVICE STORAGE INSURANCE." INSURANCE  
7 OFFERED IN CONNECTION WITH AND INCIDENTAL TO THE RENTAL OF SPACE  
8 AT A SELF-SERVICE STORAGE FACILITY.

9 "LINE OF AUTHORITY." THE LICENSED ABILITY TO SELL, SOLICIT  
10 OR NEGOTIATE PARTICULAR CLASSES OR TYPES OF INSURANCE, INCLUDING  
11 THE FOLLOWING:

12 (1) LIFE. INSURANCE COVERAGE ON HUMAN LIVES, INCLUDING  
13 BENEFITS OF ENDOWMENT AND ANNUITIES, AND MAY INCLUDE BENEFITS  
14 IN THE EVENT OF DEATH OR DISMEMBERMENT BY ACCIDENT AND  
15 BENEFITS FOR DISABILITY INCOME.

16 (2) ACCIDENT AND HEALTH OR SICKNESS. INSURANCE COVERAGE  
17 FOR SICKNESS, BODILY INJURY OR ACCIDENTAL DEATH AND MAY  
18 INCLUDE BENEFITS FOR DISABILITY INCOME.

19 (3) PROPERTY. INSURANCE COVERAGE FOR THE DIRECT OR  
20 CONSEQUENTIAL LOSS OR DAMAGE TO PROPERTY OF EVERY KIND.

21 (4) CASUALTY. INSURANCE COVERAGE AGAINST LEGAL  
22 LIABILITY, INCLUDING THAT FOR DEATH, INJURY OR DISABILITY OR  
23 DAMAGE TO REAL OR PERSONAL PROPERTY.

24 (5) VARIABLE LIFE AND VARIABLE ANNUITY PRODUCTS.  
25 INSURANCE COVERAGE PROVIDED UNDER VARIABLE LIFE INSURANCE  
26 CONTRACTS AND VARIABLE ANNUITIES.

27 (6) PERSONAL LINES. PROPERTY AND CASUALTY INSURANCE  
28 COVERAGE SOLD TO INDIVIDUALS AND FAMILIES PRIMARILY FOR  
29 NONCOMMERCIAL PURPOSES.

30 (7) CREDIT. LIMITED LINE CREDIT INSURANCE.

1 (8) MOTOR VEHICLE RENTAL. LIMITED LINE MOTOR VEHICLE  
2 RENTAL INSURANCE.

3 (8.1) SELF-SERVICE STORAGE. LIMITED LINE SELF-SERVICE  
4 STORAGE INSURANCE.

5 (9) LIMITED LINE. ANY OTHER LINE OF INSURANCE AS  
6 DETERMINED BY THE INSURANCE COMMISSIONER.

7 \* \* \*

8 SECTION 2. SUBARTICLE B OF ARTICLE VI-A OF THE ACT IS  
9 AMENDED BY ADDING A DIVISION TO READ:

10 DIVISION 2.1

11 SELF-SERVICE STORAGE ~~FACILITY~~ INSURANCE <--

12 Section ~~601-B~~ 681-A. Self-service storage ~~agent~~ PRODUCER <--

13 licenses.

14 (a) Authority to issue licenses.--The Insurance Department <--

15 DEPARTMENT may issue a self-service storage ~~agent~~ license to an <--

16 owner that has complied with the requirements of this section

17 authorizing the owner to offer or to sell the kinds of insurance

18 prescribed in this section in connection with and incidental to

19 the rental of space at a self-service storage facility. THE <--

20 SELF-SERVICE STORAGE PROVIDER SHALL ALSO BE SUBJECT TO THE

21 REQUIREMENTS OF THIS ARTICLE, ARTICLE XI AND THE ACT OF JULY 22,

22 1974 (P.L.589, NO.205), KNOWN AS THE UNFAIR INSURANCE PRACTICES

23 ACT.

24 (b) Application.--

25 (1) An applicant for a self-service storage ~~agent~~ <--

26 PRODUCER license shall file a written application in a form <--

27 prescribed by the department. The application shall specify

28 all locations in this Commonwealth that the self-service

29 storage ~~agent~~ PRODUCER may conduct business under the <--

30 license.

1           (2) A self-service storage agent PRODUCER is not <--  
2           required to have an individual licensee in each self-service  
3           storage facility or place where insurance is transacted.

4           (3) The self-service storage agent PRODUCER shall notify <--  
5           the department within 30 days after commencing business under  
6           the self-service storage agent's PRODUCER'S license at any <--  
7           additional locations in this Commonwealth or of those  
8           locations in this Commonwealth that cease to do business  
9           under the license.

10          (c) Sale of insurance.--A self-service storage agent <--  
11          PRODUCER may offer or sell insurance only in connection with and <--  
12          incidental to the rental of space at a self-service storage  
13          facility on a master, corporate, commercial, group or individual  
14          policy basis and only with respect to personal property  
15          insurance that provides PRIMARY coverage to occupants at the <--  
16          self-service storage facility where the insurance is transacted  
17          for the loss of or damage to stored personal property that <--  
18          occurs at that facility OR WHILE THE PERSONAL PROPERTY IS IN <--  
19          TRANSIT DURING THE RENTAL AGREEMENT.

20          (d) Requirements.--A self-service storage agent PRODUCER <--  
21          shall not offer or sell insurance under this section unless:

22                (1) The self-service storage agent PRODUCER makes <--  
23                readily available to the prospective occupant brochures or  
24                other written materials that:

25                    (i) Summarize the material terms of insurance  
26                    coverage offered to occupants, including the identity of  
27                    the insurer, price, benefits, DEDUCTIBLES, exclusions and <--  
28                    conditions.

29                    (ii) Disclose that the policies offered by the self-  
30                    service storage agent PRODUCER may provide a duplication <--

1 of coverage already provided by an occupant's homeowner's  
2 insurance policy, renter's insurance policy, vehicle  
3 insurance policy, watercraft insurance policy or other  
4 source of property insurance coverage. THE DISCLOSURE <--  
5 SHALL BE PROMINENTLY DISPLAYED IN THE BROCHURE OR OTHER  
6 WRITTEN MATERIALS WITH AT LEAST 12-POINT BOLD TYPE.

7 (III) STATE THAT THE INSURANCE PRESCRIBED IN THIS  
8 SECTION IS PRIMARY COVERAGE OVER ANY OTHER COVERAGE  
9 COVERING THE SAME LOSS.

10 ~~(iii)~~ (IV) 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 (V) STATE THAT THE PURCHASE OF THE INSURANCE <--  
16 PRESCRIBED IN THIS SECTION IS NOT REQUIRED IN ORDER TO  
17 RENT STORAGE SPACE. THE STATEMENT SHALL BE PROMINENTLY  
18 DISPLAYED IN THE BROCHURE OR OTHER WRITTEN MATERIALS WITH  
19 AT LEAST 12-POINT BOLD TYPE.

20 ~~(iv)~~ (VI) Describe the process for filing a claim. <--

21 (VII) INCLUDE CONTACT INFORMATION FOR FILING A <--  
22 COMPLAINT WITH THE COMMISSIONER.

23 (2) All costs related to the insurance are stated in  
24 writing.

25 (3) Evidence of coverage in a form approved by the  
26 insurer is provided to every occupant who purchases the  
27 coverage.

28 (4) The insurance is provided by an insurer authorized  
29 to transact the applicable kinds of insurance in this  
30 Commonwealth or by a surplus lines insurer under Article V.

1 (e) Employee or agent AUTHORIZED REPRESENTATIVE.-- <--

2 (1) An employee or agent AUTHORIZED REPRESENTATIVE of a <--  
3 self-service storage agent PRODUCER may act on behalf of and <--  
4 under the supervision of the self-service storage agent <--  
5 PRODUCER in matters relating to the conduct of business under <--  
6 the license that is issued under this section.

7 (2) The conduct of an employee or agent AUTHORIZED <--  
8 REPRESENTATIVE of a self-service storage agent PRODUCER <--  
9 acting within the scope of employment or agency is deemed the  
10 conduct of the self-service storage agent PRODUCER for <--  
11 purposes of this section.

12 (3) THE SELF-SERVICE STORAGE PRODUCER SHALL MAINTAIN A <--  
13 REGISTER, ON A FORM WHICH THE COMMISSIONER REQUIRES, OF EACH  
14 EMPLOYEE OR AUTHORIZED REPRESENTATIVE OF THE SELF-SERVICE  
15 STORAGE PRODUCER WHO OFFERS THE INSURANCE PRESCRIBED IN THIS  
16 SECTION ON BEHALF OF THE SELF-SERVICE STORAGE PRODUCER AND  
17 SHALL, UPON REQUEST OF THE COMMISSIONER, SUBMIT THE REGISTER  
18 FOR INSPECTION BY THE COMMISSIONER.

19 (f) Training.--Each self-service storage agent PRODUCER <--  
20 shall provide, OR CAUSE A LICENSED PRODUCER TO PROVIDE, a <--  
21 training program that gives employees and agents AUTHORIZED <--  
22 REPRESENTATIVES of the self-service storage agent PRODUCER basic <--  
23 instruction about the provisions of this section, including the <--  
24 kinds of insurance coverage prescribed in this section., <--  
25 INCLUDING THE FOLLOWING:

26 (1) GENERAL INFORMATION ABOUT HOMEOWNERS, RENTERS,  
27 BUSINESS AND SIMILAR INSURANCE THAT AN OCCUPANT MAY HAVE THAT  
28 MAY PROVIDE COVERAGE FOR PROPERTY STORED AT A SELF-SERVICE  
29 STORAGE FACILITY.

30 (2) INFORMATION ABOUT THE MATERIAL TERMS OF INSURANCE

1 COVERAGE OFFERED TO OCCUPANTS, INCLUDING THE PRICE, BENEFITS,  
2 DEDUCTIBLES, EXCLUSIONS AND CONDITIONS OF THE INSURANCE.

3 (3) THE DISCLOSURES REQUIRED UNDER SUBSECTION (D).

4 (g) Prohibitions.--A self-service storage ~~agent~~ PRODUCER may <--  
5 not:

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

9 (2) Advertise, represent or otherwise portray itself or  
10 any of its employees or ~~agents~~ AUTHORIZED REPRESENTATIVES as <--  
11 licensed insurers or insurance producers.

12 (H) ENFORCEMENT.--A VIOLATION OF THIS SECTION SHALL <--  
13 CONSTITUTE A VIOLATION OF THIS ACT AND SHALL BE SUBJECT TO THE  
14 PROVISIONS OF SECTIONS 691-A AND 692-A.

15 ~~(h)~~ (I) Exclusions.--Nothing in this section shall be <--  
16 construed to prohibit:

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

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

25 ~~(i)~~ (J) Promotional materials.--An owner is not required to <--  
26 be licensed under this section solely to display and make  
27 available to prospective occupants brochures and other  
28 promotional materials created by or on behalf of an authorized  
29 insurer or by a surplus lines insurer under this article. IF THE <--  
30 OWNER AND ITS UNLICENSED EMPLOYEES AND AUTHORIZED

1 REPRESENTATIVES DO NOT SOLICIT PROSPECTIVE OCCUPANTS TO PURCHASE  
2 THE INSURANCE.

3 ~~(j) (K) Continuing education.--A self-service storage agent~~ <--  
4 PRODUCER is not subject to continuing education requirements. <--

5 ~~(k) (L) Definitions.--As used in this section, the following~~ <--  
6 words and phrases shall have the meanings given to them in this  
7 subsection unless the context clearly indicates otherwise:

8 ~~"Occupant." A person or the person's sublessee, successor or~~ <--  
9 ~~assign who is entitled to the use of a leased space or spaces at~~  
10 ~~a self-service storage facility, to the exclusion of others.~~

11 ~~"Owner." The owner or owner's managing agent of a self-~~  
12 ~~service storage facility.~~

13 ~~"Personal property." Movable property that is not affixed to~~  
14 ~~land and includes:~~

15 ~~(1) Goods, wares, merchandise, household items and~~  
16 ~~furnishings.~~

17 ~~(2) Vehicles, motor vehicles, trailers and semitrailers.~~

18 ~~(3) Watercraft and motorized watercraft.~~

19 ~~"OCCUPANT." AS DEFINED IN SECTION 2 OF THE ACT OF DECEMBER~~ <--  
20 ~~20, 1982 (P.L.1404, NO.325), KNOWN AS THE SELF-SERVICE STORAGE~~  
21 ~~FACILITY ACT.~~

22 ~~"OWNER." AS DEFINED IN SECTION 2 OF THE SELF-SERVICE STORAGE~~  
23 ~~FACILITY ACT.~~

24 ~~"PERSONAL PROPERTY." AS DEFINED IN SECTION 2 OF THE SELF-~~  
25 ~~SERVICE STORAGE FACILITY ACT.~~

26 ~~"Self-service storage agent PRODUCER." An owner or self-~~ <--  
27 ~~service storage facility operator who is licensed under this~~ <--  
28 ~~section.~~

29 ~~"Self service storage facility." Real property that is used~~ <--  
30 ~~for renting or leasing storage space in which occupants store~~

1 ~~and remove personal property on a self service basis.~~

2 Section 2 3. This act shall take effect in 60 days.

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