
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 20 Session of
2011

INTRODUCED BY WATSON, KILLION, BOYD, FABRIZIO, GRELL,
CALTAGIRONE, COHEN, D. COSTA, DALEY, DAY, ELLIS, FLECK,
GEIST, GILLESPIE, GINGRICH, HORNAMAN, M. K. KELLER, KOTIK,
MAHONEY, MATZIE, MILLER, MOUL, MURT, PICKETT, QUINN, RAPP,
SONNEY, TAYLOR AND TOEPEL, MAY 10, 2011

REFERRED TO COMMITTEE ON INSURANCE, MAY 10, 2011

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. Definitions.

22 The following words and phrases when used in this article

1 shall have the meanings given to them in this section unless the
2 context clearly indicates otherwise:

3 "Department." The Insurance Department of the Commonwealth.

4 "Limited licensee." An owner authorized to act as an agent
5 of an insurance provider for purposes of selling certain
6 insurance coverages for personal property maintained in self-
7 service storage facilities under this article.

8 "Occupant." A person, his sublessee, successor or assign
9 entitled to the use of the storage space at a self-service
10 storage facility under a rental agreement to the exclusion of
11 others.

12 "Owner." The owner, operator, lessor or sublessor of a self-
13 service storage facility, his agent or any other person
14 authorized by him to manage the self-service storage facility or
15 to receive rent from an occupant under a rental agreement.

16 "Personal property." Movable property not affixed to land.
17 The term includes goods, wares, merchandise, motor vehicles,
18 watercraft and household items and furnishings.

19 "Rental agreement." Any agreement or lease, written or oral,
20 that establishes or modifies the terms, conditions, rules or any
21 other provisions concerning the use and occupancy of a self-
22 service storage facility.

23 "Self-service storage facility." Any real property designed
24 and used for the purpose of renting or leasing individual
25 storage space to occupants who are to have access to the
26 individual storage space for the purpose of storing and removing
27 personal property. No lessee shall use a self-service storage
28 facility for residential purposes.

29 Section 602-B. Limited license.

30 (a) Issuance.--The department may issue to an owner that is

1 in compliance with this article a limited license to act as an
2 insurance agent of an insurer authorized to provide insurance in
3 this Commonwealth for self-service storage facilities as
4 provided under this article.

5 (b) Agent.--A limited licensee shall be authorized to act as
6 an agent for an insurer in connection with a rental agreement
7 and for either an individual policy issued to an individual
8 occupant or as a group policy for occupants for personal
9 property insurance. A limited licensee shall be authorized to
10 provide to occupants insurance coverage for:

11 (1) the loss of or damage to personal property stored at
12 a self-service storage facility where the loss or damage
13 occurs at the self-service storage facility during the
14 occupant's rental agreement; or

15 (2) any other loss directly related to an occupant's
16 rental agreement.

17 (c) Provision of material.--No insurance shall be issued
18 under this article unless the limited licensee provides to a
19 prospective occupant written material that does all of the
20 following:

21 (1) Provides a summary of the terms of insurance
22 coverage, including the identity of the insurer.

23 (2) Discloses that the policy of insurance may provide a
24 duplication of coverage already provided by an occupant's
25 homeowner's insurance policy, personal liability insurance
26 policy or other existing policy of insurance.

27 (3) Describes the process for filing a claim if the
28 occupant elects to purchase coverage and experiences a
29 covered loss.

30 (4) Provides information regarding the price,

1 deductible, benefits, exclusions, conditions and any other
2 limitations of the policy.

3 (5) States that the limited licensee is not authorized
4 to evaluate the adequacy of the occupant's existing insurance
5 coverages, unless the limited licensee is otherwise licensed.

6 (6) States that the occupant may cancel the insurance at
7 any time and any unearned premium will be refunded in
8 accordance with applicable law.

9 (d) Treatment of money.--Notwithstanding any other provision
10 of this article or any rule or regulation adopted by the
11 department, a limited licensee licensed under this article shall
12 not be required to treat money collected from occupants under
13 rental agreements as funds received in a fiduciary capacity, if
14 the charges for coverage are itemized and are ancillary to a
15 rental agreement. The sale of insurance not in conjunction with
16 a rental agreement shall not be permitted.

17 (e) Employees.--Any limited license issued under this
18 article shall also authorize any employee of the limited
19 licensee to act individually on behalf and under the supervision
20 of the limited licensee with respect to the kinds of coverage
21 specified under this article.

22 (f) Training program.--Each owner licensed under this
23 article shall provide a training program in which employees and
24 authorized representatives of the owner shall be trained by a
25 licensed instructor and receive basic insurance instruction
26 about the kind of coverage authorized under this article and
27 offered for purchase by prospective occupants.

28 (g) Application.--As a prerequisite for issuance of a
29 limited license under this article, an applicant shall file with
30 the department an application for a limited license in the form

1 as prescribed by the department.

2 (h) Violations.--If any provision of this article is
3 violated by a limited licensee, the department shall be
4 authorized to, after notice and a hearing, impose other
5 penalties, including suspending the transaction of insurance at
6 specific rental locations where violations of this article have
7 occurred, as the department deems to be necessary or convenient
8 to carry out the purposes of this article.

9 (i) Examination.--No prelicensing examination shall be
10 required for issuance of a limited license under this article.

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