

First Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 17-1045.01 Thomas Morris x4218

HOUSE BILL 17-1263

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HOUSE SPONSORSHIP

McKean and Hansen,

SENATE SPONSORSHIP

Gardner,

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House Committees  
Business Affairs and Labor

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING AN AUTHORIZATION FOR THE COMMISSIONER OF  
102 INSURANCE TO ISSUE A LICENSE THAT ALLOWS A LIMITED LINES  
103 PRODUCER TO SELL LIMITED LINES SELF-STORAGE INSURANCE.

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Bill Summary

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

The bill authorizes the commissioner of insurance to issue a license that allows an owner or operator of a self-service storage facility to offer limited lines insurance to the occupant of self-storage space at the facility to cover the occupant's personal property that is stored in the self-storage space.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, **add** part 17 to article  
3 4 of title 10 as follows:

4                                   PART 17

5           SELF-STORAGE FACILITY INSURANCE LIMITED LICENSES

6           **10-4-1701. Definitions.** AS USED IN THIS PART 17, UNLESS THE  
7 CONTEXT OTHERWISE REQUIRES:

8           (1) "INSURER" MEANS AN ADMITTED COMPANY OR AUTHORIZED  
9 COMPANY, AS DEFINED IN SECTION 10-1-102 (3), APPROVED TO TRANSACT  
10 INSURANCE IN THIS STATE.

11           (2) "LIMITED LINES PRODUCER" MEANS AN OWNER OR OPERATOR  
12 THAT HOLDS A LIMITED LINES SELF-STORAGE LICENSE ISSUED PURSUANT  
13 TO THIS PART 17.

14           (3) "LIMITED LINES SELF-STORAGE INSURANCE" MEANS INSURANCE  
15 COVERAGE FOR PROPERTY LOSS INCIDENT TO THE RENTAL OF A  
16 SELF-STORAGE SPACE AT A SELF-SERVICE STORAGE FACILITY.

17           (4) "LIMITED LINES SELF-STORAGE LICENSE" MEANS A DOCUMENT  
18 ISSUED BY THE COMMISSIONER THAT AUTHORIZES A LIMITED LINES  
19 PRODUCER TO SELL CERTAIN LIMITED LINES SELF-STORAGE INSURANCE  
20 PURSUANT TO THIS PART 17.

21           (5) "OCCUPANT" MEANS A PERSON OR HIS OR HER LESSEE,  
22 SUCCESSOR, OR ASSIGNEE ENTITLED TO THE USE OF A SELF-STORAGE SPACE  
23 AT A SELF-SERVICE STORAGE FACILITY, TO THE EXCLUSION OF OTHERS,  
24 UNDER A SELF-STORAGE RENTAL AGREEMENT.

25           (6) "OPERATOR" MEANS A PERSON DESIGNATED BY THE OWNER, IN  
26 WRITING, AS RESPONSIBLE FOR THE DAY-TO-DAY OPERATIONS OF A

1 SELF-SERVICE STORAGE FACILITY.

2 (7) "OWNER" MEANS THE OWNER OF A SELF-SERVICE STORAGE  
3 FACILITY.

4 (8) "SELF-SERVICE STORAGE FACILITY" MEANS REAL PROPERTY  
5 DESIGNED AND USED FOR THE SOLE PURPOSE OF RENTING OR LEASING  
6 INDIVIDUAL STORAGE SPACE TO OCCUPANTS WHO ARE GIVEN ACCESS TO  
7 A SELF-STORAGE SPACE FOR THE SOLE PURPOSE OF STORING AND  
8 REMOVING PERSONAL PROPERTY.

9 (9) "SELF-STORAGE RENTAL AGREEMENT" MEANS A WRITTEN  
10 AGREEMENT SETTING FORTH THE TERMS AND CONDITIONS GOVERNING THE  
11 USE OF A SELF-STORAGE SPACE PROVIDED BY A SELF-SERVICE STORAGE  
12 FACILITY FOR RENTAL OR LEASE.

13 (10) "SELF-STORAGE SPACE" MEANS A DESIGNATED STORAGE UNIT  
14 OR OTHER DESIGNATED SPACE AT A SELF-SERVICE STORAGE FACILITY.

15 **10-4-1702. Authority to issue license.** THE COMMISSIONER OR  
16 THE COMMISSIONER'S DESIGNEE MAY ISSUE A LIMITED LINES  
17 SELF-STORAGE LICENSE TO AN OWNER OR OPERATOR THAT AUTHORIZES  
18 THE OWNER OR OPERATOR TO SELL, SOLICIT, OR NEGOTIATE LIMITED LINE  
19 SELF-STORAGE INSURANCE ISSUED BY A LIMITED LINE PRODUCER IN A  
20 FORM AND MANNER PRESCRIBED BY THE COMMISSIONER.

21 **10-4-1703. License - application - restrictions.** (1) (a) BEFORE  
22 BEING ISSUED A LIMITED LINES SELF-STORAGE LICENSE, A PERSON MUST  
23 SUBMIT AN APPLICATION FOR A LIMITED SELF-STORAGE LICENSE IN  
24 ACCORDANCE WITH SECTION 10-2-404; EXCEPT THAT, IN LIEU OF  
25 PROVIDING INFORMATION ABOUT ALL OFFICERS, PARTNERS, AND  
26 DIRECTORS AS REQUIRED BY SECTION 10-2-404 (2), THE REQUIRED  
27 INFORMATION TO BE SUBMITTED FOR A LIMITED LINES SELF-STORAGE

1 LICENSE PURSUANT TO THIS PART 17 IS LIMITED TO AN EMPLOYEE,  
2 OPERATOR, OR OFFICER OF THE OWNER.

3 (b) AN OWNER IS RESPONSIBLE FOR COMPLIANCE WITH THIS PART  
4 17. IF AN OWNER DERIVES MORE THAN FIFTY PERCENT OF ITS REVENUE  
5 FROM THE SALE OF LIMITED LINES SELF-STORAGE INSURANCE, THE OWNER  
6 SHALL PROVIDE THE LOCATION OF THE OWNER'S HOME OFFICE AND THE  
7 NAME, RESIDENTIAL ADDRESS, AND OTHER INFORMATION REQUIRED BY  
8 THE COMMISSIONER FOR ALL OFFICERS, DIRECTORS, AND SHAREHOLDERS  
9 OF RECORD HAVING BENEFICIAL OWNERSHIP OF TEN PERCENT OR MORE OF  
10 ANY CLASS OF THE OWNER'S SECURITIES REGISTERED UNDER FEDERAL  
11 SECURITIES LAWS. FOR PURPOSES OF THIS SECTION:

12 (I) A LIMITED LINES PRODUCER IS NOT REQUIRED TO BE AN  
13 OFFICER, PARTNER, OR DIRECTOR OF THE OWNER; AND

14 (II) THE APPLICANT FOR A LIMITED LINES SELF-STORAGE LICENSE  
15 PURSUANT TO THIS PART 17 IS EXEMPT FROM THE REQUIREMENTS OF  
16 SECTIONS 10-2-404 (2)(f) AND 10-2-406.

17 (c) BY JULY 1, 2018, A PERSON ENGAGED IN THE SALE OF LIMITED  
18 LINES SELF-STORAGE INSURANCE BEFORE THE EFFECTIVE DATE OF THIS  
19 PART 17 SHALL EITHER APPLY FOR A LIMITED LINES SELF-STORAGE LICENSE  
20 OR CEASE ENGAGING IN THE SALE OF LIMITED LINES SELF-STORAGE  
21 INSURANCE. A PERSON THAT WISHES TO ENGAGE IN THE SALE OF LIMITED  
22 LINES SELF-STORAGE INSURANCE ON OR AFTER JULY 1, 2018, MUST FIRST  
23 OBTAIN A LIMITED LINES SELF-STORAGE LICENSE BEFORE OFFERING  
24 LIMITED LINES SELF-STORAGE INSURANCE. A LIMITED LINES SELF-STORAGE  
25 LICENSE APPLICATION MUST BE ACCOMPANIED BY A FEE PRESCRIBED BY  
26 THE COMMISSIONER IN ACCORDANCE WITH SECTION 10-2-413. A LIMITED  
27 LINES SELF-STORAGE LICENSE MUST BE RENEWED AS SET FORTH IN

1 SECTION 10-2-408.

2 (2) A LIMITED LINES PRODUCER SHALL NOT ADVERTISE,  
3 REPRESENT, OR OTHERWISE HOLD OUT ITSELF, THE OWNER, THE OWNER'S  
4 EMPLOYEES, OR THE OPERATOR AS A LICENSED INSURER, INSURANCE  
5 AGENT, OR INSURANCE PRODUCER, AND SHALL NEITHER EVALUATE NOR  
6 INTERPRET THE TECHNICAL TERMS, BENEFITS, OR CONDITIONS OF THE  
7 OFFERED LIMITED LINES SELF-STORAGE INSURANCE WITH THE OCCUPANT  
8 OR EVALUATE OR PROVIDE ADVICE CONCERNING AN OCCUPANT'S EXISTING  
9 INSURANCE COVERAGE.

10 (3) A LIMITED LINES SELF-STORAGE LICENSE ISSUED PURSUANT TO  
11 THIS PART 17 AUTHORIZES THE LIMITED LINES PRODUCER AND THE OWNER,  
12 OWNER'S EMPLOYEES, OPERATOR, AND OPERATOR'S EMPLOYEES TO SELL,  
13 SOLICIT, AND NEGOTIATE A POLICY OF LIMITED LINES SELF-STORAGE  
14 INSURANCE AS PROVIDED IN THIS PART 17.

15 **10-4-1704. Limitations.** (1) A LIMITED LINES PRODUCER MUST BE  
16 THE OWNER OR OPERATOR OF A SELF-SERVICE STORAGE FACILITY. A  
17 LIMITED LINES PRODUCER SHALL MAINTAIN A REGISTRY OF LOCATIONS  
18 THAT ARE AUTHORIZED TO SELL, SOLICIT, OR NEGOTIATE LIMITED LINES  
19 SELF-STORAGE INSURANCE IN THIS STATE, AS WELL AS A LIST OF THE  
20 OWNER, THE OWNER'S EMPLOYEES, AND, IF APPLICABLE, THE OPERATOR  
21 WHO WILL BE AUTHORIZED TO SELL, SOLICIT, OR NEGOTIATE LIMITED LINES  
22 SELF-STORAGE INSURANCE. UPON REQUEST BY THE COMMISSIONER AND  
23 WITH TEN DAYS' NOTICE BY THE COMMISSIONER TO THE OWNER, THE  
24 LIMITED LINES PRODUCER SHALL MAKE THE REGISTRY OPEN TO INSPECTION  
25 AND EXAMINATION BY THE COMMISSIONER DURING REGULAR BUSINESS  
26 HOURS OF THE OWNER.

27 (2) A LIMITED LINES PRODUCER MAY SELL, SOLICIT, OR NEGOTIATE,

1 OR OFFER TO SELL, SOLICIT, OR NEGOTIATE, ONLY LIMITED LINES  
2 SELF-STORAGE INSURANCE IN CONNECTION WITH, AND INCIDENTAL TO,  
3 THE RENTAL OF A SELF-STORAGE SPACE IN THE OWNER'S SELF-SERVICE  
4 STORAGE FACILITY. THIS LIMITED LINES SELF-STORAGE INSURANCE MAY  
5 PROVIDE COVERAGE ONLY FOR DAMAGE OR LOSS TO THE PERSONAL  
6 PROPERTY OF THE OCCUPANT CONTAINED IN THE SELF-STORAGE SPACE.

7 **10-4-1705. Disclosures to occupant.** (1) BEFORE ISSUING A  
8 POLICY UNDER THIS PART 17, A LIMITED LINES PRODUCER SHALL PROVIDE  
9 AN OCCUPANT WITH A WRITTEN POLICY OR LIMITED LINES SELF-STORAGE  
10 INSURANCE CERTIFICATE THAT:

11 (a) SUMMARIZES CLEARLY AND CORRECTLY THE MATERIAL TERMS  
12 OF COVERAGE OFFERED TO THE OCCUPANT, INCLUDING THE IDENTITY AND  
13 CONTACT INFORMATION OF BOTH THE INSURER AND THE OWNER;

14 (b) STATES THE BENEFITS OF COVERAGE;

15 (c) STATES THAT THE COVERAGE IS OFFERED BY THE SELF-SERVICE  
16 STORAGE FACILITY;

17 (d) STATES THAT THE LIMITED LINES SELF-STORAGE INSURANCE  
18 BEING OFFERED MAY PROVIDE A DUPLICATION OF INSURANCE COVERAGE  
19 ALREADY PROVIDED BY A HOMEOWNER'S INSURANCE POLICY OR OTHER  
20 SOURCE OF COVERAGE IN EFFECT FOR THE OCCUPANT;

21 (e) STATES THE DEDUCTIBLE OF THE LIMITED LINES SELF-STORAGE  
22 INSURANCE COVERAGE AND DESCRIBES THE PROCESS FOR FILING A CLAIM;

23 (f) STATES THAT THE PREMIUM FOR LIMITED LINES SELF-STORAGE  
24 INSURANCE COVERAGE IS ITEMIZED AND ANCILLARY TO THE RENTAL  
25 AGREEMENT;

26 (g) STATES WHETHER THE POLICY COVERS FLOOD DAMAGE TO  
27 STORED PROPERTY; AND

1 (h) STATES THAT THE LIMITED LINES PRODUCER, ITS EMPLOYEES,  
2 THE OPERATOR, OR THE OPERATOR'S EMPLOYEES CAN ANSWER GENERAL  
3 INFORMATION ABOUT THE LIMITED LINES SELF-STORAGE INSURANCE  
4 OFFERED, INCLUDING A DESCRIPTION OF THE COVERAGE AND PREMIUM,  
5 BUT ARE NEITHER QUALIFIED NOR AUTHORIZED TO ANSWER TECHNICAL  
6 QUESTIONS ABOUT THE TERMS AND CONDITIONS OF THE LIMITED LINES  
7 SELF-STORAGE INSURANCE OFFERED BY THE LIMITED LINES PRODUCER OR  
8 TO EVALUATE THE ADEQUACY OF THE OCCUPANT'S EXISTING INSURANCE  
9 COVERAGE, IF ANY.

10 (2) IF THE SELF-STORAGE RENTAL AGREEMENT REQUIRES THE  
11 OCCUPANT TO PROVIDE PROOF OF INSURANCE, THIS INSURANCE COVERAGE  
12 REQUIREMENT MAY BE SATISFIED IF THE OCCUPANT:

13 (a) PURCHASES THIS COVERAGE FROM A LIMITED LINES PRODUCER;  
14 OR

15 (b) PROVIDES EVIDENCE OF THIS INSURANCE COVERAGE FROM  
16 ANOTHER SOURCE.

17 **10-4-1706. Supervision of issuance - training.** (1) AN OWNER  
18 SHALL EITHER DIRECTLY SUPERVISE OR AUTHORIZE AND APPOINT AN  
19 EMPLOYEE OR OPERATOR TO SUPERVISE THE ADMINISTRATION OF THE  
20 SALE, SOLICITATION, OR NEGOTIATION OF LIMITED LINES SELF-STORAGE  
21 INSURANCE. THE OWNER SHALL DEVELOP A TRAINING PROGRAM FOR THE  
22 SALE, SOLICITATION, OR NEGOTIATION OF THE LIMITED LINES  
23 SELF-STORAGE INSURANCE AND REQUIRE THE EMPLOYEE OR THE  
24 OPERATOR TO ATTEND THE TRAINING.

25 (2) THE TRAINING PROGRAM REQUIRED PURSUANT TO SUBSECTION  
26 (1) OF THIS SECTION IS MANDATORY FOR AN EMPLOYEE, OPERATOR, OR  
27 OPERATOR'S EMPLOYEE WHO IS DIRECTLY ENGAGED IN THE ACTIVITY OF

1 SELLING, SOLICITING, OR NEGOTIATING LIMITED LINES SELF-STORAGE  
2 INSURANCE AND MUST INCLUDE THE FOLLOWING:

3 (a) AN EDUCATION PROGRAM REGARDING THE LIMITED LINES  
4 SELF-STORAGE INSURANCE THAT IS CONDUCTED AND OVERSEEN BY THE  
5 LIMITED LINES PRODUCER OR PROGRAM ADMINISTRATOR;

6 (b) INSTRUCTION TO EACH EMPLOYEE OR OPERATOR ABOUT THE  
7 LIMITED LINES SELF-STORAGE INSURANCE OFFERED TO OCCUPANTS AND  
8 THE DISCLOSURES REQUIRED PURSUANT TO THIS PART 17;

9 (c) INSTRUCTION THAT AN EMPLOYEE OR OPERATOR SHALL NOT  
10 ADVERTISE, REPRESENT, OR OTHERWISE HOLD HIMSELF OR HERSELF OUT  
11 AS A NONLIMITED LINES LICENSED INSURANCE PRODUCER; AND

12 (d) INSTRUCTION THAT THE EMPLOYEE, OPERATOR, OR OPERATOR'S  
13 EMPLOYEES SHALL NEITHER EVALUATE NOR INTERPRET TECHNICAL TERMS,  
14 BENEFITS, OR CONDITIONS OF THE OFFERED LIMITED LINES SELF-STORAGE  
15 INSURANCE OR EVALUATE AN OCCUPANT'S EXISTING INSURANCE  
16 COVERAGE, IF THE OCCUPANT HAS ANY SUCH COVERAGE.

17 (3) THE OWNER MAY BILL AND COLLECT PREMIUMS FOR LIMITED  
18 LINES SELF-STORAGE INSURANCE. THESE LIMITED LINES SELF-STORAGE  
19 INSURANCE PREMIUMS SHALL BE SEPARATELY ITEMIZED IF THEY ARE NOT  
20 INCLUDED IN THE COST OF THE RENTAL. IF THE PREMIUMS ARE INCLUDED  
21 IN THE COST OF THE RENTAL OF THE SELF-SERVICE STORAGE SPACE, THE  
22 OWNER SHALL CLEARLY AND CONSPICUOUSLY DISCLOSE TO THE OCCUPANT  
23 THAT THE LIMITED LINES SELF-STORAGE INSURANCE IS INCLUDED WITH  
24 THE RENTAL FEES FOR THE SELF-STORAGE SPACE. OWNERS SHALL  
25 ESTABLISH A SEPARATE ACCOUNT FOR THE COLLECTED COVERAGE  
26 PREMIUMS BUT ARE NOT REQUIRED TO SEGREGATE THE COVERAGE  
27 PREMIUMS IN THAT ACCOUNT. OWNERS SHALL REMIT THE COVERAGE



1 PREMIUM CHARGES TO THE INSURER WITHIN SIXTY DAYS OF RECEIPT. ALL  
2 COVERAGE PREMIUMS HELD BY THE OWNER ARE HELD IN TRUST BY THE  
3 OWNER IN A FIDUCIARY CAPACITY FOR THE BENEFIT OF THE INSURER.

4 **10-4-1707. Compensation.** (1) AN EMPLOYEE OR OPERATOR OF  
5 AN OWNER WHO IS A LIMITED LINES PRODUCER MAY ACT INDIVIDUALLY ON  
6 BEHALF OF, AND UNDER THE SUPERVISION OF, THE OWNER WITH RESPECT  
7 TO SELLING OF THE LIMITED LINES SELF-STORAGE INSURANCE.

8 (2) THIS PART 17 DOES NOT PROHIBIT:

9 (a) THE PAYMENT OR RECEIPT OF RELATED COMPENSATION IN THE  
10 FORM OF A COMMISSION, SERVICE FEE, BROKERAGE, OR OTHER VALUABLE  
11 CONSIDERATION FOR THE SALE OF LIMITED LINES SELF-STORAGE  
12 INSURANCE THAT THE LIMITED LINES PRODUCER IS AUTHORIZED TO SELL,  
13 SOLICIT, OR NEGOTIATE UNDER THIS PART 17 IF THE LIMITED LINES  
14 PRODUCER WAS DULY LICENSED UNDER THIS PART 17 FOR THE  
15 PERFORMANCE OF THE SERVICES AND HAS MET ALL CONDITIONS AS SET  
16 FORTH IN THIS PART 17; OR

17 (b) A LIMITED LINES PRODUCER FROM PAYING, AND ITS EMPLOYEES  
18 OR OPERATOR FROM RECEIVING, PRODUCTION PAYMENTS OR INCENTIVE  
19 PAYMENTS IF THE COMPENSATION IS INCIDENTAL TO THE EMPLOYEE'S OR  
20 OPERATOR'S OVERALL COMPENSATION.

21 (3) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, AN OWNER  
22 SHALL NOT COMPENSATE EMPLOYEES OR THE OPERATOR BASED PRIMARILY  
23 ON THE NUMBER OF OCCUPANTS ENROLLED FOR LIMITED LINES  
24 SELF-STORAGE INSURANCE, BUT THE OWNER MAY COMPENSATE  
25 EMPLOYEES OR THE OPERATOR FOR ACTIVITIES UNDER THE LIMITED LINES  
26 SELF-STORAGE LICENSE AS LONG AS THE COMPENSATION IS INCIDENTAL TO  
27 THE EMPLOYEE'S OR OPERATOR'S OVERALL COMPENSATION. OWNERS MAY

1 RECEIVE COMPENSATION FOR BILLING AND COLLECTION SERVICES.

2           **10-4-1708. Exemption from requirements.** NOTWITHSTANDING  
3 ANY OTHER PROVISION OF THIS PART 17, RULE PROMULGATED BY THE  
4 COMMISSIONER, OR ORDER ISSUED BY THE COMMISSIONER, IF AN OWNER  
5 OBTAINS A LIMITED LINES SELF-STORAGE LICENSE, THE OWNER, THE  
6 OWNER'S EMPLOYEES, AND THE OPERATOR ARE NOT SUBJECT TO  
7 LICENSURE AS AN INSURANCE PRODUCER AND ARE NOT REQUIRED TO MEET  
8 THE PRE-LICENSURE EDUCATIONAL REQUIREMENTS IN SECTION 10-2-201,  
9 CONTINUING EDUCATION REQUIREMENTS IN SECTION 10-2-301, OR  
10 EXAMINATION AND CONTINUING EDUCATION REQUIREMENTS IN SECTION  
11 10-2-403.

12           **10-4-1709. Insurer's termination of coverage - notification.**

13 (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW:

14           (a) (I) EXCEPT AS SPECIFIED IN SUBSECTIONS (1)(a)(II) AND  
15 (1)(a)(III) OF THIS SECTION, AN INSURER MAY TERMINATE OR OTHERWISE  
16 CHANGE THE TERMS AND CONDITIONS OF A POLICY OF LIMITED LINES  
17 SELF-STORAGE INSURANCE ONLY UPON PROVIDING THE OWNER AND  
18 OCCUPANT WHO PURCHASED THE LIMITED LINES SELF-STORAGE  
19 INSURANCE WITH AT LEAST THIRTY DAYS' WRITTEN NOTICE.

20           (II) AN INSURER MAY TERMINATE AN OCCUPANT'S COVERAGE  
21 UNDER A LIMITED LINES SELF-STORAGE INSURANCE POLICY UPON FIFTEEN  
22 DAYS' WRITTEN NOTICE TO THE OCCUPANT AND OWNER FOR THE  
23 OCCUPANT'S NONPAYMENT OF PREMIUMS OR FOR THE DISCOVERY OF  
24 FRAUD OR MATERIAL MISREPRESENTATION IN THE OCCUPANT'S OBTAINING  
25 COVERAGE OR IN THE PRESENTATION OF A CLAIM UNDER THE POLICY BY  
26 THE OCCUPANT.

27           (III) AN INSURER MAY IMMEDIATELY TERMINATE AN OCCUPANT'S

1 COVERAGE UNDER A LIMITED LINES SELF-STORAGE INSURANCE POLICY IF  
2 THE OCCUPANT:

3 (A) CEASES TO RENT A SELF-STORAGE SPACE FROM THE OWNER;  
4 OR

5 (B) EXHAUSTS THE AGGREGATE OF THE LIMITED LINES  
6 SELF-STORAGE INSURANCE POLICY LIMIT OF LIABILITY, IF ANY, UNDER THE  
7 TERMS OF THE LIMITED LINES SELF-STORAGE INSURANCE AND IF THE  
8 INSURER SENDS WRITTEN NOTICE OF TERMINATION TO THE OCCUPANT AND  
9 OWNER WITHIN THIRTY CALENDAR DAYS AFTER EXHAUSTION OF THE LIMIT.  
10 IF THE INSURER DOES NOT TIMELY SEND THE NOTICE, ENROLLMENT  
11 CONTINUES NOTWITHSTANDING THE AGGREGATE LIMIT OF LIABILITY UNTIL  
12 THE INSURER SENDS WRITTEN NOTICE OF TERMINATION TO THE OCCUPANT.

13 (b) IF AN INSURER CHANGES THE TERMS AND CONDITIONS OF A  
14 POLICY OF LIMITED LINES SELF-STORAGE INSURANCE, THE INSURER SHALL  
15 PROVIDE THE LIMITED LINES PRODUCER WITH A REVISED CERTIFICATE,  
16 POLICY, OR ENDORSEMENT AND SHALL PROVIDE EACH OCCUPANT WITH A  
17 REVISED CERTIFICATE, POLICY, OR ENDORSEMENT, INDICATING THAT A  
18 CHANGE IN THE TERMS AND CONDITIONS HAS OCCURRED AND A SUMMARY  
19 OF THE MATERIAL CHANGES.

20 (c) WHEN AN INSURER TERMINATES A POLICY, THE INSURER SHALL  
21 MAIL OR DELIVER A WRITTEN NOTICE TO EACH OCCUPANT COVERED BY  
22 THE POLICY AND THE APPLICABLE OWNER, ADVISING THE OCCUPANT OF  
23 THE TERMINATION OF THE POLICY AND THE EFFECTIVE DATE OF THE  
24 TERMINATION.

25 (d) (I) WHENEVER WRITTEN NOTICE OR CORRESPONDENCE WITH  
26 RESPECT TO A POLICY IS REQUIRED, THE INSURER SHALL SEND THE NOTICE  
27 WITHIN THE NOTICE PERIOD, IF ANY, SPECIFIED BY LAW.

1 NOTWITHSTANDING ANY OTHER PROVISION OF LAW, AN INSURER MAY  
2 SEND NOTICES AND CORRESPONDENCE BY EITHER MAIL OR ELECTRONIC  
3 MEANS. FOR PURPOSES OF THIS SUBSECTION (1)(d)(I), AN OCCUPANT'S  
4 PROVISION OF AN E-MAIL ADDRESS TO THE INSURER OR OWNER IS CONSENT  
5 TO RECEIVE WRITTEN NOTICES AND CORRESPONDENCE BY ELECTRONIC  
6 MEANS.

7 (II) IF THE WRITTEN NOTICE IS MAILED, THE INSURER SHALL SEND  
8 IT TO THE OWNER AT THE OWNER'S ADDRESS AS WELL AS TO THE  
9 LAST-KNOWN ADDRESS OF THE OCCUPANT AND SHALL MAINTAIN PROOF OF  
10 MAILING IN A FORM AUTHORIZED OR ACCEPTED BY THE UNITED STATES  
11 POSTAL SERVICE OR OTHER COMMERCIAL MAIL DELIVERY SERVICE.

12 (III) IF THE WRITTEN NOTICE IS SENT BY ELECTRONIC MEANS, THE  
13 INSURER SHALL SEND IT TO THE OWNER AT THE OWNER'S E-MAIL ADDRESS  
14 AND TO THE OCCUPANT'S LAST-KNOWN E-MAIL ADDRESS AS PROVIDED BY  
15 THE OCCUPANT AND SHALL MAINTAIN PROOF THAT THE WRITTEN NOTICE  
16 WAS SENT.

17 (e) A LIMITED LINES PRODUCER MAY SEND ANY NOTICE OR  
18 CORRESPONDENCE REQUIRED BY THIS SECTION OR OTHERWISE REQUIRED  
19 BY LAW ON BEHALF OF THE INSURER OR OWNER.

20 **10-4-1710. Enforcement.** (1) THE COMMISSIONER MAY, AFTER  
21 NOTICE AND OPPORTUNITY FOR A HEARING, RESPOND TO A VIOLATION OF  
22 A PROVISION OF THIS PART 17 BY:

23 (a) TAKING DISCIPLINARY ACTION AGAINST A LIMITED LINES  
24 PRODUCER PURSUANT TO SECTION 10-2-801;

25 (b) IMPOSING OTHER PENALTIES, INCLUDING SUSPENDING THE  
26 TRANSACTION OF INSURANCE AT A SPECIFIC SELF-SERVICE STORAGE  
27 FACILITY WHERE A VIOLATION OF THIS PART 17 OCCURRED, AS THE

1 COMMISSIONER CONSIDERS NECESSARY OR CONVENIENT TO CARRY OUT  
2 THIS PART 17; OR

3 (c) SUSPENDING OR REVOKING THE ABILITY OF AN INDIVIDUAL  
4 EMPLOYEE OR OPERATOR TO ACT UNDER THE LIMITED LINES SELF-STORAGE  
5 LICENSE.

6 **SECTION 2. Act subject to petition - effective date -**  
7 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following  
8 the expiration of the ninety-day period after final adjournment of the  
9 general assembly (August 9, 2017, if adjournment sine die is on May 10,  
10 2017); except that, if a referendum petition is filed pursuant to section 1  
11 (3) of article V of the state constitution against this act or an item, section,  
12 or part of this act within such period, then the act, item, section, or part  
13 will not take effect unless approved by the people at the general election  
14 to be held in November 2018 and, in such case, will take effect on the  
15 date of the official declaration of the vote thereon by the governor.

16 (2) This act applies to conduct occurring on or after the applicable  
17 effective date of this act.