

SECOND REGULAR SESSION

SENATE BILL NO. 862

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR WIELAND.

Read 1st time January 6, 2016, and ordered printed.

ADRIANE D. CROUSE, Secretary.

5524S.01I

AN ACT

To amend chapter 379, RSMo, by adding thereto one new section relating to self-service storage facilities.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 379, RSMo, is amended by adding thereto one new
2 section, to be known as section 379.1640, to read as follows:

**379.1640. 1. As used in this section, the following terms shall
2 mean:**

**3 (1) "Department", the department of insurance, financial
4 institutions and professional registration;**

**5 (2) "Director", the director of the department of insurance,
6 financial institutions and professional registration;**

**7 (3) "Limited lines self-service storage insurance producer", an
8 owner, operator, lessor, or sublessor of a self-service storage facility,
9 or an agent or other person authorized to manage the facility, duly
10 licensed by the department of insurance, financial institutions and
11 professional registration;**

**12 (4) "Offer and disseminate", provide general information,
13 including a description of the coverage and price, as well as process the
14 application, collect premiums, and perform other nonlicensable
15 activities permitted by the state;**

**16 (5) "Self-service storage insurance", insurance coverage for the
17 loss of, or damage to, tangible personal property in a self-service
18 storage facility as defined in section 415.405 or in transit during the
19 rental period.**

20 2. Notwithstanding any other provision of law:

21 (1) Individuals may offer and disseminate self-service storage

22 insurance on behalf of and under the control of a limited lines self-
23 service storage insurance producer only if the following conditions are
24 met:

25 (a) The limited lines self-service storage insurance producer
26 provides to purchasers of self-service storage insurance:

27 a. A description of the material terms or the actual material
28 terms of the insurance coverage;

29 b. A description of the process for filing a claim;

30 c. A description of the review or cancellation process for the self-
31 service storage insurance policy; and

32 d. The identity and contact information of the insurer and
33 limited lines self-service storage insurance producer;

34 (b) At the time of licensure, the limited lines self-service storage
35 insurance producer shall establish and maintain a register on a form
36 prescribed by the director of each individual that offers self-service
37 storage insurance on the limited lines self-service storage insurance
38 producer's behalf. The register shall be maintained and updated
39 annually by the limited lines self-service storage insurance producer
40 and shall include the name, address, and contact information of the
41 limited lines self-service storage insurance producer and an officer or
42 person who directs or controls the limited lines self-service storage
43 insurance producer's operations, and the self-service storage facility's
44 federal tax identification number. The limited lines self-service storage
45 insurance producer shall submit such register within thirty days upon
46 request by the department. The limited lines self-service storage
47 insurance producer shall also certify that each individual listed on the
48 self-service storage register complies with 18 U.S.C. 1033;

49 (c) The limited lines self-service storage insurance producer has
50 designated one of its employees who is a licensed individual producer
51 as a person responsible for the business entity's compliance with the
52 self-service storage insurance laws, rules, and regulations of this state;

53 (d) An individual applying for a limited lines self-service storage
54 insurance producer license shall make application to the director on
55 the specified application and declare under penalty of refusal,
56 suspension or revocation of the license that the statements made on the
57 application are true, correct and complete to the best of the knowledge
58 and belief of the applicant. Before approving the application, the

59 **director shall find that the individual:**

60 **a. Is at least eighteen years of age;**

61 **b. Has not committed any act that is a ground for denial,**
62 **suspension, or revocation set forth in section 375.141;**

63 **c. Has paid a license fee in the sum of one hundred dollars; and**

64 **d. Has completed a qualified training program regarding self-**
65 **service storage insurance policies, which has been filed with and**
66 **approved by the director;**

67 **(e) Individuals applying for limited lines self-service storage**
68 **insurance producer licenses shall be exempt from examination. The**
69 **director may require any documents reasonably necessary to verify the**
70 **information contained in an application. Within thirty working days**
71 **after the change of any information submitted on the application, the**
72 **self-service storage insurance producer shall notify the director of the**
73 **change. No fee shall be charged for any such change. If the director**
74 **has taken no action within twenty-five working days of receipt of an**
75 **application, the application shall be deemed approved and the**
76 **applicant may act as a licensed self-service storage insurance producer,**
77 **unless the applicant has indicated a conviction for a felony or a crime**
78 **involving moral turpitude;**

79 **(f) The limited lines self-service storage insurance producer**
80 **requires each employee and authorized representative of the self-**
81 **service storage insurance producer whose duties include offering and**
82 **disseminating self-service storage insurance to receive a program of**
83 **instruction or training, that has been reviewed and approved by the**
84 **director. The training material shall, at a minimum, contain**
85 **instructions on the types of insurance offered, ethical sales practices,**
86 **and required disclosures to prospective customers;**

87 **(2) Any individual offering or disseminating self-service storage**
88 **insurance shall provide to prospective purchasers brochures or other**
89 **written materials that:**

90 **(a) Provide the identity and contact information of the insurer**
91 **and the limited lines self-service storage insurance producer;**

92 **(b) Explain that the purchase of self-service storage insurance**
93 **is not required in order to lease self-storage units;**

94 **(c) Explain that an unlicensed self-service storage operator is**
95 **permitted to provide general information about the insurance offered**

96 by the self-service storage operator, including a description of the
97 coverage and price, but is not qualified or authorized to answer
98 technical questions about the terms and conditions of the insurance
99 offered by the self-service storage operator or to evaluate the adequacy
100 of the customer's existing insurance coverage; and

101 (d) Disclose that self-service storage insurance may provide
102 duplication of coverage already provided by an occupant's,
103 homeowner's, renters, or other source of coverage;

104 (3) A limited lines self-service storage producer's employee or
105 authorized representative, who is not licensed as an insurance
106 producer, may not:

107 (a) Evaluate or interpret the technical terms, benefits, and
108 conditions of the offered self-service storage insurance coverage;

109 (b) Evaluate or provide advice concerning a prospective
110 purchaser's existing insurance coverage; or

111 (c) Hold themselves or itself out as a licensed insurer, licensed
112 producer, or insurance expert;

113 (4) If self-service storage insurance is offered to the customer,
114 premium or other charges specifically applicable to self-service storage
115 insurance shall be listed as a separate amount and apart from other
116 charges relating to the lease and/or procurement of a self-service
117 storage unit on all documentation pertinent to the transaction.

118 3. Notwithstanding any other provision of law, a limited lines
119 self-service storage insurance provider whose insurance-related
120 activities, and those of its employees and authorized representatives,
121 are limited to offering and disseminating self-service storage insurance
122 on behalf of and under the direction of a limited lines self-service
123 storage insurance producer meeting the conditions stated in this
124 section is authorized to do so and receive related compensation, upon
125 registration by the limited lines self-service storage insurance producer
126 as described in paragraph (b) of subdivision (1) of subsection 2 of this
127 section.

128 4. Self-service storage insurance may be provided under an
129 individual policy or under a group or master policy.

130 5. Limited lines self-service storage insurance producers,
131 operators, employees and authorized representatives offering and
132 disseminating self-service storage insurance under the limited lines

133 self-service storage insurance producer license shall be subject to the
134 provisions of chapters 374 and 375, except as provided for in this
135 section.

136 **6. Limited lines self-service storage insurance producers,**
137 **operators, employees and authorized representatives may offer and**
138 **disseminate self-service storage insurance policies in an amount not to**
139 **exceed five thousand dollars of coverage per customer per storage unit.**

140 **7. The director may promulgate rules to effectuate this**
141 **section. Any rule or portion of a rule, as that term is defined in section**
142 **536.010 that is created under the authority delegated in this section**
143 **shall become effective only if it complies with and is subject to all of**
144 **the provisions of chapter 536, and, if applicable, section 536.028. This**
145 **section and chapter 536 are nonseverable and if any of the powers**
146 **vested with the general assembly pursuant to chapter 536, to review, to**
147 **delay the effective date, or to disapprove and annul a rule are**
148 **subsequently held unconstitutional, then the grant of rulemaking**
149 **authority and any rule proposed or adopted after August 28, 2016, shall**
150 **be invalid and void.**

Bill ✓

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