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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1669 Session of  
2015

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INTRODUCED BY GILLESPIE, ZIMMERMAN, LAWRENCE, A. HARRIS, SCHEMEL  
AND THOMAS, OCTOBER 28, 2015

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REFERRED TO COMMITTEE ON INSURANCE, OCTOBER 28, 2015

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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 agent licenses.

22 (a) Authority to issue licenses.--The Insurance Department  
23 may issue a self-service storage agent license to an owner that

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

5 (b) Application.--

6 (1) An applicant for a self-service storage agent  
7 license shall file a written application in a form prescribed  
8 by the department. The application shall specify all  
9 locations in this Commonwealth at which the self-service  
10 storage agent may conduct business under the license.

11 (2) A self-service storage agent is not required to have  
12 an individual licensee in each self-service storage facility  
13 or place where insurance is transacted.

14 (3) The self-service storage agent shall notify the  
15 department within 30 days after commencing business under the  
16 self-service storage agent's license at any additional  
17 locations in this Commonwealth or of those locations in this  
18 Commonwealth that cease to do business under the license.

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

27 (d) Requirements.--A self-service storage agent may not  
28 offer or sell insurance under this section unless:

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

1 written materials that:

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

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

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

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

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

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

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

25 (e) Employee or agent.--

26 (1) An employee or agent of a self-service storage agent  
27 may act on behalf of and under the supervision of the self-  
28 service storage agent in matters relating to the conduct of  
29 business under the license that is issued under this section.

30 (2) The conduct of an employee or agent of a self-

1 service storage agent acting within the scope of employment  
2 or agency is deemed the conduct of the self-storage agent for  
3 purposes of this section.

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

9 (g) Prohibitions.--A self-service storage agent may not:

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

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

16 (h) Exclusions.--Nothing in this section may be construed to  
17 prohibit:

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

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

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

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

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

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

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

11 "Personal property." Movable property that is not affixed to  
12 land and includes:

13 (1) Goods, wares, merchandise, household items and  
14 furnishings.

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

16 (3) Watercraft and motorized watercraft.

17 "Self-service storage agent." An owner or self-storage  
18 facility operator who is licensed under this section.

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

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