

SECOND REGULAR SESSION

SENATE BILL NO. 780

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR WIELAND.

Pre-filed December 3, 2015, and ordered printed.

ADRIANE D. CROUSE, Secretary.

4513S.02I

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 section, to be known as section 379.1640, to read as follows:

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

(1) "Limited lines self-service storage insurance producer", a:

(a) Licensed managing general agent as provided by sections 375.147 to 375.153; or

(b) Licensed insurance producer as provided by chapter 375, designated by the insurer as the self-service storage insurance supervising entity as set forth in subsection 5 of this section;

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

(3) "Self-service storage insurance", insurance coverage for the loss of, or damage to, tangible personal property in a self-service storage facility as defined in section 415.405 or in transit during the rental period;

(4) "Self-service storage operator", the owner, operator, lessor, or sublessor of a self-service storage facility, or an agent or other person authorized to manage the facility.

2. Notwithstanding any other provision of law:

(1) A self-service storage operator may offer and disseminate

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

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

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

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

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

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

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

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

54 (d) The designated person under paragraph (c) of this
55 subdivision, president, secretary, treasurer, and any other officer or
56 person who directs or controls the limited lines self-service storage
57 insurance producer's insurance operations complies with the
58 fingerprinting requirements applicable to insurance producers in the

59 resident state of the business entity;

60 (e) The limited lines self-service storage insurance producer has
61 paid all applicable insurance producer licensing fees as set forth in
62 applicable state law;

63 (f) The limited lines self-service storage insurance producer
64 requires each employee and authorized representative of the self-
65 service storage operator whose duties include offering and
66 disseminating self-service storage insurance to receive a program of
67 instruction or training, which may be subject to review by the
68 director. The training material shall, at a minimum, contain
69 instructions on the types of insurance offered, ethical sales practices,
70 and required disclosures to prospective customers;

71 (2) Any self-service storage operator offering or disseminating
72 self-service storage insurance shall make available to prospective
73 purchasers brochures or other written materials that:

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

76 (b) Explain that the purchase of self-service storage insurance
77 is not required in order to lease self-storage units from the self-service
78 storage operator;

79 (c) Explain that an unlicensed self-service storage operator is
80 permitted to provide general information about the insurance offered
81 by the self-service storage operator, including a description of the
82 coverage and price, but is not qualified or authorized to answer
83 technical questions about the terms and conditions of the insurance
84 offered by the self-service storage operator or to evaluate the adequacy
85 of the customer's existing insurance coverage; and

86 (d) Disclose that self-service storage insurance may provide
87 duplication of coverage already provided by an occupant's
88 homeowner's, renter's, or other source of coverage;

89 (3) A self-service storage operator's employee or authorized
90 representative, who is not licensed as an insurance producer, may not:

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

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

95 (c) Hold themselves or itself out as a licensed insurer, licensed

96 **producer, or insurance expert.**

97 **3. Notwithstanding any other provision of law, a self-service**
98 **storage operator whose insurance-related activities, and those of its**
99 **employees and authorized representatives, are limited to offering and**
100 **disseminating self-service storage insurance on behalf of and under the**
101 **direction of a limited lines self-service storage insurance producer**
102 **meeting the conditions stated in this section is authorized to do so and**
103 **receive related compensation, upon registration by the limited lines**
104 **self-service storage insurance producer as described in paragraph (b)**
105 **of subdivision (1) of subsection 2 of this section.**

106 **4. Self-service storage insurance may be provided under an**
107 **individual policy or under a group or master policy.**

108 **5. As the insurer designee, the limited lines self-service storage**
109 **insurance producer is responsible for the acts of the self-service**
110 **storage operator and shall use reasonable means to ensure compliance**
111 **by the self-service storage operator with this section.**

112 **6. The limited lines self-service storage insurance producer and**
113 **any self-service storage operator offering and disseminating self-service**
114 **storage insurance under the limited lines self-service storage insurance**
115 **producer license shall be subject to the provisions of chapters 374 and**
116 **375, except as provided for in this section.**

117 **7. Limited lines self-service storage insurance producers,**
118 **operators, employees, and authorized representatives may offer and**
119 **disseminate self-service storage insurance policies in an amount not to**
120 **exceed five thousand dollars of coverage per customer per storage unit.**

121 **8. The director may promulgate rules to effectuate this**
122 **section. Any rule or portion of a rule, as that term is defined in section**
123 **536.010 that is created under the authority delegated in this section**
124 **shall become effective only if it complies with and is subject to all of**
125 **the provisions of chapter 536, and, if applicable, section 536.028. This**
126 **section and chapter 536 are nonseverable and if any of the powers**
127 **vested with the general assembly pursuant to chapter 536, to review, to**
128 **delay the effective date, or to disapprove and annul a rule are**
129 **subsequently held unconstitutional, then the grant of rulemaking**
130 **authority and any rule proposed or adopted after August 28, 2016, shall**
131 **be invalid and void.**