

SENATE No. 533

The Commonwealth of Massachusetts

PRESENTED BY:

Michael O. Moore

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to self-storage insurance.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Michael O. Moore</i>	<i>Second Worcester</i>
<i>Ryan C. Fattman</i>	<i>Worcester and Norfolk</i>
<i>Chris Walsh</i>	<i>6th Middlesex</i>
<i>Paul K. Frost</i>	<i>7th Worcester</i>

SENATE No. 533

By Mr. Moore, a petition (accompanied by bill, Senate, No. 533) of Michael O. Moore, Chris Walsh and Paul K. Frost for legislation to authorize operators of self-storage facilities to become self-storage insurance agents. Financial Services.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 842 OF 2013-2014.]

The Commonwealth of Massachusetts

**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

An Act relative to self-storage insurance.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 175 of the General Laws is hereby amended by inserting after section 225 the
2 following section:-

3 Section 226.(a) The Commissioner may issue a self-service storage agent license to an
4 operator that has complied with the requirements of this section authorizing the operator to offer
5 or to sell the kinds of insurance prescribed in this section in connection with and incidental to the
6 rental of space at a self-service storage facility.

7 (b) An applicant for a self-service storage agent license shall file a written application in
8 a form prescribed by the Commissioner. The application shall provide a physical address of the
9 licensee company headquarters and maintain a list of all self-service storage facilities where self-

10 service storage agent will conduct business under the license; and, upon request, provide the list
11 upon thirty (30) days to the commissioner or his representatives. A self-service storage agent is
12 not required to have an individual licensee in each self-service storage facility or place where
13 insurance is transacted. The self-service storage agent shall notify the Commissioner after
14 commencing business under the self-service storage agent's license at any additional locations in
15 this state or of those locations in this state that cease to do business under the license within
16 thirty days.

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

23 (d). A self-service storage agent shall not offer or sell insurance pursuant to this section
24 unless:

25 1. The self-service storage agent makes readily available to the prospective occupant
26 brochures or other written materials that:

27 (a) Summarize the material terms of insurance coverage offered to occupants, including
28 the identity of the insurer, price, benefits, exclusions and conditions.

29 (b) Disclose that the policies offered by the self-service storage agent may provide a
30 duplication of coverage already provided by an occupant's homeowner's insurance policy,

31 renter's insurance policy, vehicle insurance policy, watercraft insurance policy or other source of
32 property insurance coverage.

33 (c) State that if insurance is required as a condition of rental, the requirement may be
34 satisfied by the occupant purchasing the insurance prescribed in this section or by presenting
35 evidence of other applicable insurance coverage.

36 (d) Describe the process for filing a claim.

37 2. All costs related to the insurance are stated in writing.

38 3. Evidence of coverage in a form approved by the insurer is provided to every occupant
39 who purchases the coverage.

40 4. The insurance is provided by an insurer authorized to provide the applicable kind of
41 insurance in this state.

42 (e). An employee or agent of a self-service storage agent may act on behalf of and under
43 the supervision of the self-service storage agent in matters relating to the conduct of business
44 under the license that is issued pursuant to this section. The conduct of an employee or agent of a
45 self-service storage agent acting within the scope of employment or agency is deemed the
46 conduct of the self-service storage agent for purposes of this section.

47 (f). Each self-service storage agent shall provide a training program that gives employees
48 and agents of the self-service storage agent basic instruction about the provisions of this section,
49 including the kinds of insurance coverage prescribed in this section.

50 (g). A self-service storage agent shall not:

51 1. Offer or sell insurance except in connection with and incidental to the rental of space at
52 a self-service storage facility.

53 2. Advertise, represent or otherwise portray itself or any of its employees or agents as
54 licensed insurers or insurance producers.

55 (h). Nothing in this section shall prohibit:

56 1. An insurer from paying, and a self-service storage agent from receiving, a commission,
57 service fee or other valuable consideration dependent on the sale of the type of insurance
58 authorized under this section.

59 2. A self-service storage agent from paying, and its employees or agents from receiving,
60 production payments or incentive payments if the payments are not dependent solely on the sale
61 of insurance.

62 (i). An operator is not required to be licensed pursuant to this section merely to display
63 and make available to prospective occupants brochures and other promotional materials created
64 by or on behalf of an authorized insurer or by a surplus lines insurer.

65 (j). A self-service storage agent is not subject to the continuing education requirements of
66 section 177E of this chapter.

67 (k). For the purposes of this section, the term "self-service storage agent" means a self-
68 storage facility operator who is licensed pursuant to this section. The terms "occupant",
69 "operator", "personal property", and "self-storage facility" shall be as defined in section 1 of
70 chapter 105A.