

# SENATE BILL 780

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By: **Senator Peters**

Introduced and read first time: February 1, 2013

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Limited Lines Insurance Licenses – Self-Service Storage Agents**

3 FOR the purpose of authorizing the Maryland Insurance Commissioner to issue a  
4 limited lines license as a self-service storage agent to an owner or operator of a  
5 self-service storage facility who meets certain requirements; providing for the  
6 scope of the license; providing that an owner or operator is not required to be  
7 licensed under certain circumstances; requiring an applicant for a license to file  
8 a certain application with the Commissioner; providing that a self-service  
9 storage agent is not required to have a separate license for each self-service  
10 storage facility where insurance is offered or sold; requiring a self-service  
11 storage agent to provide certain notice to the Commissioner under certain  
12 circumstances; providing that a self-service storage agent is not required to  
13 meet certain continuing education requirements; prohibiting a self-service  
14 storage agent from offering or selling insurance unless the agent makes certain  
15 brochures or other written materials available to prospective occupants, certain  
16 costs related to the insurance are stated in writing, certain evidence of coverage  
17 is provided to occupants, and the insurance is provided by certain entities;  
18 authorizing employees or agents of a self-service storage agent to act in a  
19 certain manner regarding certain matters; requiring each self-service storage  
20 agent to provide a certain training program for employees and agents;  
21 establishing certain prohibited acts; providing for the construction of this Act;  
22 defining certain terms; and generally relating to licensing of self-service storage  
23 agents.

24 BY adding to

25 Article – Insurance

26 Section 10-801 through 10-810 to be under the new subtitle “Subtitle 8.  
27 Self-Service Storage Agents”

28 Annotated Code of Maryland

29 (2011 Replacement Volume and 2012 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article – Insurance**

4 **SUBTITLE 8. SELF-SERVICE STORAGE AGENTS.**

5 **10-801.**

6 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
7 INDICATED.

8 (B) “OCCUPANT” MEANS A PERSON OR THE PERSON’S SUBLESSEE,  
9 SUCCESSOR, OR ASSIGN WHO IS ENTITLED TO THE USE OF A LEASED SPACE AT A  
10 SELF-SERVICE STORAGE FACILITY.

11 (C) “OWNER” MEANS THE OWNER OF A SELF-SERVICE STORAGE  
12 FACILITY.

13 (D) (1) “PERSONAL PROPERTY” MEANS MOVABLE PROPERTY THAT IS  
14 NOT AFFIXED TO LAND.

15 (2) “PERSONAL PROPERTY” INCLUDES:

16 (I) GOODS, WARES, MERCHANDISE, HOUSEHOLD ITEMS,  
17 AND FURNISHINGS;

18 (II) A VEHICLE, AS DEFINED IN § 11-176 OF THE  
19 TRANSPORTATION ARTICLE; AND

20 (III) WATERCRAFT AND MOTORIZED WATERCRAFT.

21 (E) “SELF-SERVICE STORAGE AGENT” MEANS AN OWNER OR OPERATOR  
22 OF A SELF-SERVICE STORAGE FACILITY WHO HOLDS A LIMITED LINES LICENSE  
23 UNDER THIS SUBTITLE.

24 (F) “SELF-SERVICE STORAGE FACILITY” MEANS ANY REAL PROPERTY  
25 THAT IS USED FOR RENTING OR LEASING STORAGE SPACE IN WHICH THE  
26 OCCUPANTS THEMSELVES CUSTOMARILY STORE AND REMOVE PERSONAL  
27 PROPERTY ON A SELF-SERVICE BASIS.

28 **10-802.**

1           **(A) THE COMMISSIONER MAY ISSUE A LIMITED LINES LICENSE AS A**  
2 **SELF-SERVICE STORAGE AGENT TO AN OWNER OR OPERATOR OF A**  
3 **SELF-SERVICE STORAGE FACILITY WHO MEETS THE REQUIREMENTS OF THIS**  
4 **SUBTITLE.**

5           **(B) A LIMITED LINES LICENSE AS A SELF-SERVICE STORAGE AGENT**  
6 **AUTHORIZES THE LICENSEE TO OFFER OR SELL INSURANCE ONLY:**

7                   **(1) IN CONNECTION WITH AND INCIDENTAL TO THE RENTAL OF**  
8 **STORAGE SPACE AT A SELF-SERVICE STORAGE FACILITY ON A MASTER, A**  
9 **CORPORATE, A COMMERCIAL, A GROUP, OR AN INDIVIDUAL POLICY BASIS; AND**

10                   **(2) WITH RESPECT TO PERSONAL PROPERTY INSURANCE THAT**  
11 **PROVIDES COVERAGE TO OCCUPANTS AT THE SELF-SERVICE STORAGE**  
12 **FACILITY, FOR THE LOSS OF OR DAMAGE TO STORED PERSONAL PROPERTY**  
13 **THAT OCCURS AT THE SELF-SERVICE STORAGE FACILITY.**

14           **(C) AN OWNER OR OPERATOR OF A SELF-SERVICE STORAGE FACILITY**  
15 **IS NOT REQUIRED TO BE LICENSED UNDER THIS SUBTITLE MERELY TO DISPLAY**  
16 **AND MAKE AVAILABLE TO PROSPECTIVE OCCUPANTS BROCHURES AND OTHER**  
17 **PROMOTIONAL MATERIALS CREATED BY OR ON BEHALF OF AN AUTHORIZED**  
18 **INSURER OR A SURPLUS LINES INSURER.**

19 **10-803.**

20           **(A) AN APPLICANT FOR A LIMITED LINES LICENSE AS A SELF-SERVICE**  
21 **STORAGE AGENT SHALL FILE A WRITTEN APPLICATION WITH THE**  
22 **COMMISSIONER IN THE FORM THE COMMISSIONER REQUIRES.**

23           **(B) THE APPLICATION SHALL INCLUDE:**

24                   **(1) THE PHYSICAL ADDRESS OF THE COMPANY HEADQUARTERS**  
25 **OF THE SELF-SERVICE STORAGE AGENT; AND**

26                   **(2) A LIST OF ALL SELF-SERVICE STORAGE FACILITIES WHERE**  
27 **THE SELF-SERVICE STORAGE AGENT WILL CONDUCT BUSINESS UNDER THE**  
28 **LIMITED LINES LICENSE.**

29 **10-804.**

30           **(A) A SELF-SERVICE STORAGE AGENT IS NOT REQUIRED TO HAVE A**  
31 **SEPARATE LIMITED LINES LICENSE FOR EACH SELF-SERVICE STORAGE**  
32 **FACILITY WHERE INSURANCE IS OFFERED OR SOLD.**

1           **(B) A SELF-SERVICE STORAGE AGENT SHALL NOTIFY THE**  
2 **COMMISSIONER OF:**

3           **(1) ANY ADDITIONAL LOCATIONS OF SELF-SERVICE STORAGE**  
4 **FACILITIES IN THE STATE WHERE THE SELF-SERVICE STORAGE AGENT WILL DO**  
5 **BUSINESS UNDER THE LIMITED LINES LICENSE WITHIN 30 DAYS AFTER**  
6 **COMMENCING BUSINESS AT THOSE LOCATIONS; AND**

7           **(2) THOSE LOCATIONS OF SELF-SERVICE STORAGE FACILITIES IN**  
8 **THE STATE WHERE THE SELF-SERVICE STORAGE AGENT WILL CEASE TO DO**  
9 **BUSINESS UNDER THE LIMITED LINES LICENSE WITHIN 30 DAYS AFTER CEASING**  
10 **BUSINESS AT THOSE LOCATIONS.**

11 **10-805.**

12           **A SELF-SERVICE STORAGE AGENT IS NOT REQUIRED TO MEET THE**  
13 **CONTINUING EDUCATION REQUIREMENTS FOR INSURANCE PRODUCERS UNDER**  
14 **SUBTITLE 1 OF THIS TITLE.**

15 **10-806.**

16           **A SELF-SERVICE STORAGE AGENT MAY NOT OFFER OR SELL INSURANCE**  
17 **UNDER THIS SUBTITLE UNLESS:**

18           **(1) THE SELF-SERVICE STORAGE AGENT MAKES READILY**  
19 **AVAILABLE TO PROSPECTIVE OCCUPANTS BROCHURES OR OTHER WRITTEN**  
20 **MATERIALS THAT:**

21           **(I) SUMMARIZE THE MATERIAL TERMS OF INSURANCE**  
22 **COVERAGE OFFERED TO OCCUPANTS, INCLUDING THE IDENTITY OF THE**  
23 **INSURER AND THE PRICE, BENEFITS, EXCLUSIONS, AND CONDITIONS OF THE**  
24 **INSURANCE;**

25           **(II) DISCLOSE THAT THE POLICIES OFFERED BY THE**  
26 **SELF-SERVICE STORAGE AGENT MAY DUPLICATE COVERAGE ALREADY**  
27 **PROVIDED BY AN OCCUPANT'S HOMEOWNER'S INSURANCE POLICY, RENTER'S**  
28 **INSURANCE POLICY, VEHICLE INSURANCE POLICY, WATERCRAFT INSURANCE**  
29 **POLICY, OR OTHER TYPE OF PROPERTY INSURANCE COVERAGE;**

30           **(III) STATE THAT IF INSURANCE IS REQUIRED AS A**  
31 **CONDITION OF RENTAL AT A SELF-SERVICE STORAGE FACILITY, THE**  
32 **REQUIREMENT MAY BE SATISFIED IF THE OCCUPANT:**

1                                   1.     PURCHASES THE INSURANCE DESCRIBED IN THIS  
2     SUBTITLE; OR

3                                   2.     PRESENTS EVIDENCE OF OTHER APPLICABLE  
4     INSURANCE COVERAGE; AND

5                                   (IV)   DESCRIBE THE PROCESS FOR FILING A CLAIM;

6                                   (2)    ALL COSTS RELATED TO THE INSURANCE ARE STATED IN  
7     WRITING;

8                                   (3)    EVIDENCE OF COVERAGE IN A FORM APPROVED BY THE  
9     COMMISSIONER IS PROVIDED TO EACH OCCUPANT WHO PURCHASES THE  
10    COVERAGE; AND

11                                  (4)    THE INSURANCE IS PROVIDED BY:

12                                  (I)    AN INSURER AUTHORIZED TO TRANSACT THE  
13    APPLICABLE KINDS OF INSURANCE IN THE STATE; OR

14                                  (II)   A SURPLUS LINES INSURER.

15     **10-807.**

16                    (A)    AN EMPLOYEE OR AGENT OF A SELF-SERVICE STORAGE AGENT MAY  
17    ACT ON BEHALF OF AND UNDER THE SUPERVISION OF THE SELF-SERVICE  
18    STORAGE AGENT IN MATTERS RELATING TO THE CONDUCT OF BUSINESS UNDER  
19    A LIMITED LINES LICENSE ISSUED UNDER THIS SUBTITLE.

20                    (B)    THE CONDUCT OF AN EMPLOYEE OR AGENT OF A SELF-SERVICE  
21    STORAGE AGENT ACTING WITHIN THE SCOPE OF EMPLOYMENT OR AGENCY IS  
22    CONSIDERED TO BE THE CONDUCT OF THE SELF-SERVICE STORAGE AGENT FOR  
23    PURPOSES OF THIS SUBTITLE.

24     **10-808.**

25                    (A)    EACH SELF-SERVICE STORAGE AGENT SHALL PROVIDE A TRAINING  
26    PROGRAM FOR EMPLOYEES AND AGENTS OF THE SELF-SERVICE STORAGE  
27    AGENT.

28                    (B)    THE TRAINING PROGRAM REQUIRED BY SUBSECTION (A) OF THIS  
29    SECTION SHALL:

1           **(1) PROVIDE BASIC INSTRUCTION ABOUT THE PROVISIONS OF**  
2 **THIS SUBTITLE; AND**

3           **(2) INCLUDE INFORMATION ABOUT THE KIND OF INSURANCE**  
4 **COVERAGE THAT MAY BE OFFERED OR SOLD UNDER THIS SUBTITLE.**

5 **10-809.**

6           **A SELF-SERVICE STORAGE AGENT FOR ANY OF ITS EMPLOYEES OR**  
7 **AGENTS MAY NOT:**

8           **(1) OFFER OR SELL INSURANCE EXCEPT IN CONNECTION WITH**  
9 **AND INCIDENTAL TO THE RENTAL OF SPACE AT A SELF-SERVICE STORAGE**  
10 **FACILITY; OR**

11           **(2) ADVERTISE, REPRESENT, OR OTHERWISE HOLD THEMSELVES**  
12 **OUT AS AUTHORIZED INSURERS OR LICENSED INSURANCE PRODUCERS.**

13 **10-810.**

14           **THIS SUBTITLE MAY NOT BE CONSTRUED TO PROHIBIT:**

15           **(1) AN INSURER FROM PAYING, AND A SELF-SERVICE STORAGE**  
16 **AGENT FROM RECEIVING, A COMMISSION, A SERVICE FEE, OR ANY OTHER**  
17 **VALUABLE CONSIDERATION DEPENDENT ON THE SALE OF INSURANCE; OR**

18           **(2) A SELF-SERVICE STORAGE AGENT FROM PAYING, AND ITS**  
19 **EMPLOYEES OR AGENTS FROM RECEIVING, PRODUCTION PAYMENTS OR**  
20 **INCENTIVE PAYMENTS IF THE PAYMENTS ARE NOT DEPENDENT ON THE SALE OF**  
21 **INSURANCE.**

22           **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**  
23 **October 1, 2013.**