

BY: Finance Committee

AMENDMENTS TO SENATE BILL 490

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “Agents” and substitute “Producers”; in lines 4, 9, 11, 12, 14, 18, and 20, in each instance, strike “agent” and substitute “producer”; in lines 4 and 6, in each instance, strike “or operator”; in line 5, strike “who meets” and substitute “and certain individuals who meet”; in line 6, after the semicolon, insert “prohibiting an owner from offering or selling certain insurance unless the owner holds a certain license and makes a certain designation;”; in line 17, strike “and”; in the same line, strike the semicolon and substitute “, and the producer advises an occupant of certain information and requires an occupant to take certain actions under certain circumstances;”; in lines 18 and 20, in each instance, strike “agents” and substitute “authorized representatives”; in line 19, after “matters” insert “under certain circumstances”; in the same line, after the semicolon insert “establishing a certain responsibility of and requiring certain actions by designated responsible producers;”; in line 21, after “acts;” insert “authorizing the Commissioner to suspend, revoke, or renew a certain license under certain circumstances; requiring the Commissioner to collect certain information, make certain determinations, and report certain findings and recommendations to certain committees of the General Assembly on or before a certain date; authorizing the Commissioner to adopt certain regulations;”; in line 23, strike “agents” and substitute “producers”; in line 26, strike “10-810” and substitute “10-812”; and in line 27, strike “Agents” and substitute “Producers”.

AMENDMENT NO. 2

On page 2, in line 4, strike “**AGENTS**” and substitute “**PRODUCERS**”; after line 7, insert:

**“(B) “AUTHORIZED REPRESENTATIVE” MEANS AN INDEPENDENT CONTRACTOR OF AN OWNER OF A SELF-SERVICE STORAGE FACILITY.**

(Over)

**(C) “BUSINESS ENTITY” HAS THE MEANING STATED IN § 5-511 OF THIS ARTICLE.**

**(D) “DESIGNATED RESPONSIBLE PRODUCER” MEANS AN INDIVIDUAL WHO:**

**(1) HOLDS A LIMITED LINES LICENSE UNDER THIS SUBTITLE; AND**

**(2) IS DESIGNATED BY THE OWNER AS RESPONSIBLE FOR THE OWNER’S COMPLIANCE WITH INSURANCE LAWS, RULES, AND REGULATIONS OF THE STATE.”;**

in lines 8, 11, 13, and 24, in each instance, strike “(B)”, “(C)”, “(D)”, and “(F)”, respectively, and substitute “(E)”, “(F)”, “(G)”, and “(H)”, respectively; strike in their entirety lines 21 through 23, inclusive; and after line 27, insert:

**“(I) “SELF-SERVICE STORAGE PRODUCER” MEANS:**

**(1) AN OWNER OF A SELF-STORAGE FACILITY WHO HOLDS A LIMITED LINES LICENSE UNDER THIS SUBTITLE; OR**

**(2) A DESIGNATED RESPONSIBLE PRODUCER.”.**

On page 3, in lines 2, 5, 21, 25, 27, and 30, in each instance, strike “AGENT” and substitute “**PRODUCER**”; in lines 2 and 14, in each instance, strike “OR OPERATOR”; in line 2, after “TO” insert “:

**(1)**”;

in line 4, after “SUBTITLE” insert “;AND”

**(2) AN INDIVIDUAL WHO:**

**(I) IS DESIGNATED BY THE OWNER AS RESPONSIBLE FOR THE OWNER’S COMPLIANCE WITH INSURANCE LAWS, RULES, AND REGULATIONS OF THE STATE; AND**

**(II) MEETS THE REQUIREMENTS OF THIS SUBTITLE”;**

after line 13, insert:

**“(C) AN OWNER OF A SELF-SERVICE STORAGE FACILITY MAY NOT OFFER OR SELL INSURANCE UNDER THIS SUBTITLE UNLESS THE OWNER, AS A BUSINESS ENTITY:**

**(1) HOLDS A LIMITED LINES LICENSE UNDER THIS SUBTITLE; AND**

**(2) HAS A DESIGNATED RESPONSIBLE PRODUCER.”;**

in line 14, strike “(C)” and substitute “(D)”; and in line 18, strike “OR A SURPLUS LINES INSURER” and substitute “PROVIDED THAT THE OWNER DOES NOT ENGAGE IN THE SALE, SOLICITATION, OR NEGOTIATION OF INSURANCE ADVERTISED IN THE BROCHURES AND PROMOTIONAL MATERIALS”.

**AMENDMENT NO. 3**

On page 4, in lines 1, 4, 8, 12, 16, 18, and 26, in each instance, strike “AGENT” and substitute “PRODUCER”; in line 23, after “BENEFITS,” insert “DEDUCTIBLES,”; in line 26, strike “DUPLICATE” and substitute “PROVIDE COVERAGE THAT IS COMPARABLE TO”; after line 29, insert:

(Over)

**“(III) STATE WHETHER THE PURCHASE OF COVERAGE UNDER A POLICY OFFERED UNDER THIS SUBTITLE WOULD MAKE THE COVERAGE PRIMARY TO ANY OTHER COVERAGE, INCLUDING DUPLICATE COVERAGE;”**;

and in line 30, strike “(III)” and substitute “(IV)”.

On pages 4 and 5, strike beginning with “IF” in line 30 on page 4 down through “2.” in line 3 on page 5, and substitute “**THE PURCHASE OF INSURANCE COVERAGE IS NOT REQUIRED AS A CONDITION OF RENTAL AT A SELF-SERVICE STORAGE FACILITY IF THE OCCUPANT**”.

On page 5, in line 4, strike “AND”; in line 5, strike “(IV)” and substitute “(V)”;

in the same line, after the semicolon insert “**AND**”

**(VI) INCLUDE CONTACT INFORMATION FOR FILING A COMPLAINT WITH THE COMMISSIONER;**;

in line 10, strike “AND”; strike beginning with the colon in line 11 down through “(I)” in line 12; and strike beginning with “OR” in line 13 down through “INSURER” in line 14 and substitute “**AND**”

**(5) AS A CONDITION OF THE SALE OF INSURANCE, THE SELF-SERVICE STORAGE PRODUCER:**

**(I) REQUIRES THE OCCUPANT TO EXECUTE A DOCUMENT ACKNOWLEDGING THE AMOUNT OF COVERAGE UNDER THE POLICY PURCHASED;**  
**AND**

**(II) IF THE OCCUPANT HAS CONTENTS IN THE LEASED SPACE OF A VALUE GREATER THAN THE COVERAGE UNDER THE POLICY:**

**1. ADVISES THE OCCUPANT IN WRITING TO CONTACT A PROPERTY AND CASUALTY INSURANCE PRODUCER LICENSED UNDER SUBTITLE 1 OF THIS TITLE TO OBTAIN ADDITIONAL COVERAGE TO REFLECT THE VALUE OF THE CONTENTS IN THE LEASED SPACE; AND**

**2. REQUIRES THE OCCUPANT TO ACKNOWLEDGE RECEIPT OF THE NOTICE UNDER ITEM 1 OF THIS ITEM**.

**AMENDMENT NO. 4**

On page 5, in line 16, strike the first “AGENT” and substitute “**AUTHORIZED REPRESENTATIVE**”; in the same line, strike “STORAGE AGENT” and substitute “**STORAGE PRODUCER**”; in lines 18, 21, 22, 25, and 27, in each instance, strike “AGENT” and substitute “**PRODUCER**”; in line 19, after “SUBTITLE” insert “**IF THE EMPLOYEE OR AUTHORIZED REPRESENTATIVE RECEIVES THE TRAINING UNDER § 10-808 OF THIS SUBTITLE**”; in line 20, strike “AGENT” and substitute “**AUTHORIZED REPRESENTATIVE**”; after line 23, insert:

**“(C) THE DESIGNATED RESPONSIBLE PRODUCER:**

**(1) IS RESPONSIBLE FOR THE ACTS OF THE EMPLOYEES OR AUTHORIZED REPRESENTATIVES OF THE OWNER WHO OFFER OR SELL LIMITED LINES INSURANCE, AS AUTHORIZED UNDER THIS SUBTITLE, ON BEHALF OF THE OWNER;**

**(2) SHALL USE REASONABLE MEANS TO ENSURE COMPLIANCE BY THE EMPLOYEES OR AUTHORIZED REPRESENTATIVES WITH THIS SUBTITLE;**

(3) SHALL MAINTAIN A REGISTER, ON A FORM THE COMMISSIONER REQUIRES, OF EACH EMPLOYEE OR AUTHORIZED REPRESENTATIVE OF THE OWNER WHO OFFERS LIMITED LINES INSURANCE ON BEHALF OF THE OWNER; AND

(4) SHALL SUBMIT THE REGISTER FOR INSPECTION BY THE COMMISSIONER WITHIN 30 DAYS AFTER RECEIVING A REQUEST BY THE COMMISSIONER FOR INSPECTION.”;

in line 26, strike “AGENTS” and substitute “AUTHORIZED REPRESENTATIVES”; and after line 29, insert:

“(1) INCLUDE GENERAL INFORMATION ABOUT HOMEOWNERS, RENTERS, BUSINESS, AND SIMILAR INSURANCE THAT AN OCCUPANT MAY HAVE THAT MAY PROVIDE COVERAGE FOR PROPERTY LOCATED IN A SELF-STORAGE FACILITY;

(2) INCLUDE INFORMATION ABOUT THE MATERIAL TERMS OF INSURANCE COVERAGE OFFERED TO OCCUPANTS UNDER THIS SUBTITLE, INCLUDING THE PRICE, BENEFITS, DEDUCTIBLES, EXCLUSIONS, AND CONDITIONS OF THE INSURANCE;”.

On page 6, in lines 1 and 3, strike “(1)” and “(2)”, respectively, and substitute “(3)” and “(4)”, respectively; in line 3, after “INCLUDE” insert “ANY OTHER”; strike beginning with “ABOUT” in line 3 down through “SUBTITLE” in line 4 and substitute “THE COMMISSIONER MAY REQUIRE”; in line 6, strike “AGENT” and substitute “PRODUCER”; and in the same line, strike “AGENTS” and substitute “AUTHORIZED REPRESENTATIVES”.

On page 6, after line 13, insert:

“(A) THE COMMISSIONER MAY SUSPEND, REVOKE, OR REFUSE TO RENEW A LIMITED LINES LICENSE ISSUED UNDER THIS SUBTITLE AFTER NOTICE AND OPPORTUNITY FOR A HEARING UNDER TITLE 2, SUBTITLE 2 OF THIS ARTICLE IF THE SELF-SERVICE STORAGE PRODUCER OR AN EMPLOYEE OR AUTHORIZED REPRESENTATIVE OF THE SELF-SERVICE STORAGE PRODUCER WHO OFFERS OR SELLS LIMITED LINES INSURANCE ON BEHALF OF THE SELF-SERVICE STORAGE PRODUCER HAS:

(1) WILLFULLY VIOLATED THIS ARTICLE OR ANOTHER LAW OF THE STATE THAT RELATES TO INSURANCE;

(2) OPERATED WITHOUT A LIMITED LINES LICENSE AS REQUIRED UNDER THIS SUBTITLE;

(3) FAILED TO PROVIDE THE DISCLOSURES REQUIRED UNDER § 10-806 OF THIS SUBTITLE;

(4) OFFERED OR SOLD UNAPPROVED INSURANCE PRODUCTS;

(5) FAILED TO TRAIN EMPLOYEES OR AUTHORIZED REPRESENTATIVES AS REQUIRED UNDER § 10-808 OF THIS SUBTITLE; OR

(6) MISREPRESENTED PERTINENT FACTS OR POLICY PROVISIONS CONCERNING A POLICY FOR A SELF-SERVICE STORAGE FACILITY.

(B) INSTEAD OF, OR IN ADDITION TO, SUSPENDING OR REVOKING A LIMITED LINES LICENSE ISSUED UNDER THIS SUBTITLE, THE COMMISSIONER MAY:

(Over)

(1) IMPOSE ON THE SELF-SERVICE STORAGE PRODUCER A PENALTY OF NOT MORE THAN \$2,500 FOR EACH VIOLATION OF THIS SUBTITLE; AND

(2) REQUIRE THAT RESTITUTION BE MADE TO ANY PERSON WHO HAS SUFFERED FINANCIAL INJURY BECAUSE OF A VIOLATION OF THIS SUBTITLE.

10-811.”;

in line 16, strike “AGENT” and substitute “PRODUCER”; strike beginning with “A” in line 18 down through “IS” in line 20 and substitute “THE PAYMENT OF COMPENSATION BY THE SELF-SERVICE STORAGE PRODUCER TO AN EMPLOYEE OR AUTHORIZED REPRESENTATIVE WHO OFFERS OR SELLS LIMITED LINES INSURANCE THAT IS INCIDENTAL TO THE EMPLOYEE’S OR AUTHORIZED REPRESENTATIVE’S OVERALL COMPENSATION AND”; and after line 20, insert:

“10-812.

THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE, INCLUDING REGULATIONS CONCERNING:

(1) THE FORM AND CONTENT OF REQUIRED DISCLOSURES TO CUSTOMERS;

(2) THE TRAINING REQUIREMENTS FOR EMPLOYEES OR AUTHORIZED REPRESENTATIVES WHO OFFER OR SELL LIMITED LINES INSURANCE UNDER THIS SUBTITLE; AND



**(3) THE QUALIFICATIONS OF THE INDIVIDUALS WHO PROVIDE THE TRAINING REQUIRED UNDER § 10-808 OF THIS SUBTITLE.**

SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Insurance Commissioner:

(1) shall keep track of complaints from consumers regarding the offering and sale of self-service storage insurance by self-service storage producers and employees and authorized representatives who offer and sell self-service storage insurance on behalf of an owner of a self-service storage facility, including:

(i) the number of complaints;

(ii) a summary of the allegations contained in the complaints;

and

(iii) the disposition of the complaints;

(2) based on the complaints under paragraph (1) of this section and any other information the Commissioner determines necessary, shall determine whether and how self-service storage producers and employees and authorized representatives who offer and sell self-service storage insurance on behalf of an owner of a self-service storage facility should be compensated for offering and selling self-service storage insurance; and

(3) on or before January 1, 2017, shall report the Commissioner's findings and recommendations, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee and the House Economic Matters Committee.”;

and in line 21, strike “2.” and substitute “3.”