

Section 10–801 through ~~10–810~~ 10–812 to be under the new subtitle “Subtitle 8. Self–Service Storage ~~Agents~~ Producers”
Annotated Code of Maryland
(2011 Replacement Volume and 2013 Supplement)

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

Article – Insurance

SUBTITLE 8. SELF–SERVICE STORAGE ~~AGENTS~~ PRODUCERS.

10–801.

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

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

(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.

~~(B)~~ **(E) “OCCUPANT” MEANS A PERSON OR THE PERSON’S SUBLESSEE, SUCCESSOR, OR ASSIGNEE WHO IS ENTITLED TO THE USE OF A LEASED SPACE AT A SELF–SERVICE STORAGE FACILITY.**

~~(C)~~ **(F) “OWNER” MEANS THE OWNER OF A SELF–SERVICE STORAGE FACILITY.**

~~(D)~~ **(G) (1) “PERSONAL PROPERTY” MEANS MOVABLE PROPERTY THAT IS NOT AFFIXED TO LAND.**

(2) “PERSONAL PROPERTY” INCLUDES:

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

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

(III) WATERCRAFT AND MOTORIZED WATERCRAFT.

~~(E) "SELF-SERVICE STORAGE AGENT" MEANS AN OWNER OR OPERATOR OF A SELF-SERVICE STORAGE FACILITY WHO HOLDS A LIMITED LINES LICENSE UNDER THIS SUBTITLE.~~

~~(F)~~ (H) "SELF-SERVICE STORAGE FACILITY" MEANS ANY REAL PROPERTY THAT IS USED FOR RENTING OR LEASING STORAGE SPACE IN WHICH THE OCCUPANTS THEMSELVES CUSTOMARILY STORE AND REMOVE PERSONAL PROPERTY ON A SELF-SERVICE BASIS.

(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.

10-802.

(A) THE COMMISSIONER SHALL ISSUE A LIMITED LINES LICENSE AS A SELF-SERVICE STORAGE ~~AGENT~~ PRODUCER TO:

(1) AN OWNER ~~OR OPERATOR~~ OF A SELF-SERVICE STORAGE FACILITY WHO MEETS THE REQUIREMENTS OF THIS SUBTITLE; 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.

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

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

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

(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.

~~(C)~~ (D) AN OWNER ~~OR OPERATOR~~ OF A SELF-SERVICE STORAGE FACILITY IS NOT REQUIRED TO BE LICENSED UNDER THIS SUBTITLE MERELY TO DISPLAY AND MAKE AVAILABLE TO PROSPECTIVE OCCUPANTS BROCHURES AND OTHER PROMOTIONAL MATERIALS CREATED BY OR ON BEHALF OF AN AUTHORIZED INSURER ~~OR A SURPLUS LINES INSURER~~ PROVIDED THAT THE OWNER DOES NOT ENGAGE IN THE SALE, SOLICITATION, OR NEGOTIATION OF INSURANCE ADVERTISED IN THE BROCHURES AND PROMOTIONAL MATERIALS.

10-803.

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

(B) THE APPLICATION SHALL INCLUDE:

(1) THE PHYSICAL ADDRESS OF THE COMPANY HEADQUARTERS OF THE SELF-SERVICE STORAGE ~~AGENT~~ PRODUCER; AND

(2) A LIST OF ALL SELF-SERVICE STORAGE FACILITIES WHERE THE SELF-SERVICE STORAGE ~~AGENT~~ PRODUCER WILL CONDUCT BUSINESS UNDER THE LIMITED LINES LICENSE.

10-804.

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

(B) A SELF-SERVICE STORAGE ~~AGENT~~ PRODUCER SHALL NOTIFY THE COMMISSIONER OF:

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

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

10-805.

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

10-806.

A SELF-SERVICE STORAGE ~~AGENT~~ PRODUCER MAY NOT OFFER OR SELL INSURANCE UNDER THIS SUBTITLE UNLESS:

(1) THE SELF-SERVICE STORAGE ~~AGENT~~ PRODUCER MAKES READILY AVAILABLE TO PROSPECTIVE OCCUPANTS BROCHURES OR OTHER WRITTEN MATERIALS THAT:

(I) SUMMARIZE THE MATERIAL TERMS OF INSURANCE COVERAGE OFFERED TO OCCUPANTS, INCLUDING THE IDENTITY OF THE INSURER AND THE PRICE, BENEFITS, DEDUCTIBLES, EXCLUSIONS, AND CONDITIONS OF THE INSURANCE;

(II) DISCLOSE THAT THE POLICIES OFFERED BY THE SELF-SERVICE STORAGE ~~AGENT~~ PRODUCER MAY ~~DUPLICATE~~ PROVIDE COVERAGE THAT IS COMPARABLE TO COVERAGE ALREADY PROVIDED BY AN OCCUPANT'S HOMEOWNER'S INSURANCE POLICY, RENTER'S INSURANCE POLICY, VEHICLE INSURANCE POLICY, WATERCRAFT INSURANCE POLICY, OR OTHER TYPE OF PROPERTY INSURANCE COVERAGE;

(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;

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

1. PURCHASES THE INSURANCE DESCRIBED IN THIS SUBTITLE; OR

2. THE PURCHASE OF INSURANCE COVERAGE IS NOT REQUIRED AS A CONDITION OF RENTAL AT A SELF-SERVICE STORAGE FACILITY IF THE OCCUPANT PRESENTS EVIDENCE OF OTHER APPLICABLE INSURANCE COVERAGE; AND

~~(IV)~~ (V) DESCRIBE THE PROCESS FOR FILING A CLAIM; AND

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

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

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

(4) THE INSURANCE IS PROVIDED BY:

~~(i)~~ AN INSURER AUTHORIZED TO TRANSACT THE APPLICABLE KINDS OF INSURANCE IN THE STATE; ~~OR~~

~~(ii) A SURPLUS LINES INSURER 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.

10-807.

(A) AN EMPLOYEE OR ~~AGENT~~ AUTHORIZED REPRESENTATIVE OF A SELF-SERVICE ~~STORAGE-AGENT STORAGE~~ STORAGE PRODUCER MAY ACT ON BEHALF OF AND UNDER THE SUPERVISION OF THE SELF-SERVICE STORAGE ~~AGENT~~ PRODUCER IN MATTERS RELATING TO THE CONDUCT OF BUSINESS UNDER A LIMITED LINES LICENSE ISSUED UNDER THIS SUBTITLE IF THE EMPLOYEE OR AUTHORIZED REPRESENTATIVE RECEIVES THE TRAINING UNDER § 10-808 OF THIS SUBTITLE.

(B) THE CONDUCT OF AN EMPLOYEE OR ~~AGENT~~ AUTHORIZED REPRESENTATIVE OF A SELF-SERVICE STORAGE ~~AGENT~~ PRODUCER ACTING WITHIN THE SCOPE OF EMPLOYMENT OR AGENCY IS CONSIDERED TO BE THE CONDUCT OF THE SELF-SERVICE STORAGE ~~AGENT~~ PRODUCER FOR PURPOSES OF THIS SUBTITLE.

(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.

10-808.

(A) EACH SELF-SERVICE STORAGE ~~AGENT~~ PRODUCER SHALL PROVIDE A TRAINING PROGRAM APPROVED BY THE COMMISSIONER FOR EMPLOYEES AND ~~AGENTS~~ AUTHORIZED REPRESENTATIVES OF THE SELF-SERVICE STORAGE ~~AGENT~~ PRODUCER.

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

(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;

~~(1)~~ (3) PROVIDE BASIC INSTRUCTION ABOUT THE PROVISIONS OF THIS SUBTITLE; AND

~~(2)~~ (4) INCLUDE ANY OTHER INFORMATION ~~ABOUT THE KIND OF INSURANCE COVERAGE THAT MAY BE OFFERED OR SOLD UNDER THIS SUBTITLE~~ THE COMMISSIONER MAY REQUIRE.

10-809.

A SELF-SERVICE STORAGE ~~AGENT~~ PRODUCER OR ANY OF ITS EMPLOYEES OR ~~AGENTS~~ AUTHORIZED REPRESENTATIVES MAY NOT:

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

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

10-810.

(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:

(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.

THIS SUBTITLE MAY NOT BE CONSTRUED TO PROHIBIT:

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

~~(2) A SELF-SERVICE STORAGE AGENT FROM PAYING AND ITS EMPLOYEES OR AGENTS FROM RECEIVING COMPENSATION IN A MANNER THAT IS 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 NOT DEPENDENT ON THE SALE OF INSURANCE.~~

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.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, April 14, 2014.