



General Assembly

January Session, 2019

***Raised Bill No. 981***

LCO No. 4868



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:  
(INS)

***AN ACT CONCERNING SELF-SERVICE STORAGE INSURANCE.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-1 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2019*):

3 Terms used in this title and section 2 of this act, unless it appears  
4 from the context to the contrary, shall have a scope and meaning as set  
5 forth in this section.

6 (1) "Affiliate" or "affiliated" means a person that directly, or  
7 indirectly through one or more intermediaries, controls, is controlled  
8 by or is under common control with another person.

9 (2) "Alien insurer" means any insurer that has been chartered by or  
10 organized or constituted within or under the laws of any jurisdiction  
11 or country without the United States.

12 (3) "Annuities" means all agreements to make periodical payments  
13 where the making or continuance of all or some of the series of the  
14 payments, or the amount of the payment, is dependent upon the  
15 continuance of human life or is for a specified term of years. This

16 definition does not apply to payments made under a policy of life  
17 insurance.

18 (4) "Commissioner" means the Insurance Commissioner.

19 (5) "Control", "controlled by" or "under common control with"  
20 means the possession, direct or indirect, of the power to direct or cause  
21 the direction of the management and policies of a person, whether  
22 through the ownership of voting securities, by contract other than a  
23 commercial contract for goods or nonmanagement services, or  
24 otherwise, unless the power is the result of an official position with the  
25 person.

26 (6) "Domestic insurer" means any insurer that has been chartered  
27 by, incorporated, organized or constituted within or under the laws of  
28 this state.

29 (7) "Domestic surplus lines insurer" means any domestic insurer  
30 that has been authorized by the commissioner to write surplus lines  
31 insurance.

32 (8) "Foreign country" means any jurisdiction not in any state, district  
33 or territory of the United States.

34 (9) "Foreign insurer" means any insurer that has been chartered by  
35 or organized or constituted within or under the laws of another state  
36 or a territory of the United States.

37 (10) "Insolvency" or "insolvent" means, for any insurer, that it is  
38 unable to pay its obligations when they are due, or when its admitted  
39 assets do not exceed its liabilities plus the greater of: (A) Capital and  
40 surplus required by law for its organization and continued operation;  
41 or (B) the total par or stated value of its authorized and issued capital  
42 stock. For purposes of this subdivision "liabilities" shall include but not  
43 be limited to reserves required by statute or by regulations adopted by  
44 the commissioner in accordance with the provisions of chapter 54 or  
45 specific requirements imposed by the commissioner upon a subject

46 company at the time of admission or subsequent thereto.

47 (11) "Insurance" means any agreement to pay a sum of money,  
48 provide services or any other thing of value on the happening of a  
49 particular event or contingency or to provide indemnity for loss in  
50 respect to a specified subject by specified perils in return for a  
51 consideration. In any contract of insurance, an insured shall have an  
52 interest which is subject to a risk of loss through destruction or  
53 impairment of that interest, which risk is assumed by the insurer and  
54 such assumption shall be part of a general scheme to distribute losses  
55 among a large group of persons bearing similar risks in return for a  
56 ratable contribution or other consideration.

57 (12) "Insurer" or "insurance company" includes any person or  
58 combination of persons doing any kind or form of insurance business  
59 other than a fraternal benefit society, and shall include a receiver of  
60 any insurer when the context reasonably permits.

61 (13) "Insured" means a person to whom or for whose benefit an  
62 insurer makes a promise in an insurance policy. The term includes  
63 policyholders, subscribers, members and beneficiaries. This definition  
64 applies only to the provisions of this title and does not define the  
65 meaning of this word as used in insurance policies or certificates.

66 (14) "Life insurance" means insurance on human lives and  
67 insurances pertaining to or connected with human life. The business of  
68 life insurance includes granting endowment benefits, granting  
69 additional benefits in the event of death by accident or accidental  
70 means, granting additional benefits in the event of the total and  
71 permanent disability of the insured, and providing optional methods  
72 of settlement of proceeds. Life insurance includes burial contracts to  
73 the extent provided by section 38a-464.

74 (15) "Mutual insurer" means any insurer without capital stock, the  
75 managing directors or officers of which are elected by its members.

76 (16) "Person" means an individual, a corporation, a partnership, a

77 limited liability company, an association, a joint stock company, a  
78 business trust, an unincorporated organization or other legal entity.

79 (17) "Policy" means any document, including attached  
80 endorsements and riders, purporting to be an enforceable contract,  
81 which memorializes in writing some or all of the terms of an insurance  
82 contract.

83 (18) "State" means any state, district, or territory of the United States.

84 (19) "Subsidiary" of a specified person means an affiliate controlled  
85 by the person directly, or indirectly through one or more  
86 intermediaries.

87 (20) "Unauthorized insurer" or "nonadmitted insurer" means an  
88 insurer that has not been granted a certificate of authority by the  
89 commissioner to transact the business of insurance in this state or an  
90 insurer transacting business not authorized by a valid certificate.

91 (21) "United States" means the United States of America, its  
92 territories and possessions, the Commonwealth of Puerto Rico and the  
93 District of Columbia.

94 Sec. 2. (NEW) (*Effective October 1, 2019*) (a) For the purposes of this  
95 section:

96 (1) "Insurance producer" or "producer" has the same meaning as  
97 provided in section 38a-702a of the general statutes;

98 (2) "Location" means (A) a physical location in this state, or (B) an  
99 Internet web site or call center site directed at residents of this state;

100 (3) "Occupant" means a person, or the assignee, successor or  
101 sublessee of a person, entitled to use, to the exclusion of others, storage  
102 space at a self-service storage facility under a rental agreement;

103 (4) "Owner" has the same meaning as provided in section 42-159 of  
104 the general statutes;

105 (5) "Personal property" has the same meaning as provided in section  
106 42-159 of the general statutes;

107 (6) "Rental agreement" means a written agreement or lease that  
108 establishes or modifies the terms, conditions, rules or any other  
109 provisions concerning the use and occupancy of storage space at a self-  
110 service storage facility;

111 (7) "Self-service storage facility" means real property in this state  
112 that is designed and used for the leasing or renting of storage space to  
113 occupants who are to have access to such space only for storing and  
114 removing personal property;

115 (8) "Self-service storage insurance" means property and casualty  
116 insurance (A) insuring personal property stored at, or in transit to or  
117 from, a self-service storage facility during the term of a rental  
118 agreement, and (B) offered or sold in connection with, and incidental  
119 to, a rental agreement; and

120 (9) "Supervising entity" means an insurer licensed to transact  
121 insurance business in this state and authorized to write personal or  
122 commercial risk insurance business in this state, or an insurance  
123 producer licensed in this state, appointed by an insurer to supervise  
124 the owners who are offering or selling self-service storage insurance  
125 policies on behalf of the insurer.

126 (b) (1) No owner shall offer or sell a self-service storage insurance  
127 policy in this state without first obtaining a self-service storage  
128 insurance license from the commissioner pursuant to this section,  
129 except that each owner offering or selling self-service storage  
130 insurance policies in this state prior to October 1, 2019, may continue  
131 to offer or sell such policies until the owner's initial application for  
132 such license is approved or denied by the commissioner, provided  
133 such owner files such application not later than ninety days after the  
134 date on which the commissioner prescribes a form for such  
135 application. Any self-service storage insurance license issued by the  
136 commissioner pursuant to this section shall be in force until January

137 thirty-first of each even-numbered year, unless such license is sooner  
138 revoked or suspended by the commissioner.

139 (2) An owner is not required to be licensed under this section solely  
140 to display and make available to occupants and prospective occupants  
141 brochures and other promotional materials created by or on behalf of  
142 an insurer licensed to transact insurance business, and authorized to  
143 write property and casualty insurance, in this state.

144 (3) An owner's self-service storage insurance license shall authorize  
145 each employee and authorized representative of such owner to offer  
146 and sell self-service storage insurance policies at each location where  
147 such owner conducts business. No such employee or authorized  
148 representative shall be required to be licensed under chapter 701a of  
149 the general statutes, provided:

150 (A) The owner obtains and maintains such self-service storage  
151 insurance license;

152 (B) The insurer issuing such policies, or the supervising entity  
153 appointed by such insurer, supervises such owner; and

154 (C) No such employee or authorized representative holds himself or  
155 herself out as an insurance producer licensed in this state unless such  
156 employee or authorized representative is an insurance producer  
157 licensed in this state.

158 (4) (A) Each owner seeking to obtain a self-service storage insurance  
159 license pursuant to this section shall submit to the commissioner, in a  
160 form and manner prescribed by the commissioner, an initial  
161 application. Such application shall be signed and sworn to by such  
162 owner and include, at a minimum:

163 (i) (I) The name and residence address of, and any other information  
164 that the commissioner, in the commissioner's discretion, may require  
165 concerning, such owner or an employee or officer of such owner, or the  
166 insurer or supervising entity supervising such owner, who will serve

167 as the person responsible for such owner's compliance with this  
168 section; and

169 (II) If such owner is not a natural person and derives more than fifty  
170 per cent of such owner's revenue from the sale of self-service storage  
171 insurance, such owner shall include the name and residence address  
172 of, and any other information that the commissioner, in the  
173 commissioner's discretion, may require for, all shareholders of such  
174 owner who are directly or indirectly the beneficial owner of ten per  
175 cent or more of any class of security of such owner, and all of the  
176 officers and directors of such owner; and

177 (ii) The address of such owner's home office.

178 (B) Each application submitted to the commissioner pursuant to  
179 subparagraph (A) of this subdivision shall be accompanied by the fees  
180 set forth in section 38a-11 of the general statutes, as amended by this  
181 act.

182 (C) Each owner offering or selling self-service storage insurance  
183 policies in this state prior to October 1, 2019, shall file an initial  
184 application with the commissioner pursuant to subparagraph (A) of  
185 this subdivision not later than ninety days after the date that the  
186 commissioner prescribes a form for such initial application.

187 (5) (A) Each owner seeking to renew a self-service storage insurance  
188 license shall submit to the commissioner, in a form and manner  
189 prescribed by the commissioner, an updated application. Such  
190 application shall be signed and sworn to by such owner and include, at  
191 a minimum:

192 (i) Any changes to such owner's initial application filed pursuant to  
193 subparagraph (A) of subdivision (4) of this subsection; and

194 (ii) Any other information that the commissioner, in the  
195 commissioner's discretion, may require.

196 (B) Each updated application submitted to the commissioner

197 pursuant to subparagraph (A) of this subdivision shall be accompanied  
198 by the fees set forth in section 38a-11 of the general statutes, as  
199 amended by this act.

200 (C) Each renewal of a self-service storage insurance license granted  
201 by the commissioner in response to an application filed pursuant to  
202 subparagraph (A) of this subdivision shall be valid for two years.

203 (c) Each owner offering or selling self-service storage insurance  
204 policies shall make available, at each location where such owner is  
205 offering or selling such policies to occupants or prospective occupants  
206 in this state, brochures or other written or electronic materials  
207 containing, at a minimum, the following:

208 (1) A statement disclosing that self-service storage insurance policies  
209 may provide insurance coverage that is duplicative of insurance  
210 coverage provided to occupants under their homeowners, renter's or  
211 other insurance policies;

212 (2) A statement disclosing that occupants are not required to  
213 purchase a self-service storage insurance policy from such owner to  
214 lease storage space from such owner;

215 (3) The identity of the insurer issuing such self-service storage  
216 insurance policies;

217 (4) The identity of any supervising entity appointed by the insurer  
218 identified pursuant to subdivision (3) of this subsection;

219 (5) The amount of any deductible under such self-service storage  
220 insurance policies and a summary of how such deductible must be  
221 paid;

222 (6) A summary of the benefits under such self-service storage  
223 insurance policies;

224 (7) The terms and conditions of coverage under such self-service  
225 storage insurance policies, or a summary of the key terms and



226 conditions of such policies;

227 (8) A summary of the process for filing a claim under such self-  
228 service storage insurance policies; and

229 (9) A statement disclosing that an occupant covered under a self-  
230 service storage insurance policy may cancel such policy at any time,  
231 and that the person paying the premium for such policy will receive a  
232 refund of, or a credit for, any unearned premium under such policy.

233 (d) (1) If self-service storage insurance is included at no additional  
234 charge with a lease of storage space, the owner shall clearly and  
235 conspicuously disclose, in writing, to the occupant or prospective  
236 occupant that such insurance is included at no additional charge with  
237 the lease of the storage space.

238 (2) An owner may bill and collect payments for self-service storage  
239 insurance coverage, provided:

240 (A) Any payment that is not attributable to the cost of an occupant's  
241 occupancy of self-service storage space is itemized separately on each  
242 invoice that the owner issues to the occupant; and

243 (B) The owner remits such payment to the insurer issuing such self-  
244 service storage insurance, or the supervising entity appointed by such  
245 insurer, not later than sixty days after such owner receives such  
246 payment.

247 (3) An owner shall not be required to maintain payments collected  
248 pursuant to subdivision (2) of this subsection in a segregated account if  
249 the insurer that issued the self-service storage insurance coverage, or  
250 the supervising entity appointed by such insurer, authorizes the owner  
251 to commingle such payments. All premium payments collected by an  
252 owner pursuant to said subdivision shall be held by the owner in a  
253 fiduciary capacity for the benefit of the insurer.

254 (4) An owner may receive compensation for billing and collection  
255 services.

256 (e) (1) Self-service storage insurance coverage shall not be offered or  
257 sold in this state unless such insurance coverage is issued by an insurer  
258 that is authorized to write such lines of business in this state. Such  
259 insurance coverage may be issued as an individual, group, master,  
260 corporate or commercial policy. An insurer authorized to issue self-  
261 service storage insurance coverage in this state shall file a copy of the  
262 form for such coverage in accordance with subsection (c) of section  
263 38a-676 of the general statutes.

264 (2) An insurer that issues self-service storage insurance policies in  
265 this state and does not directly supervise the owners offering or selling  
266 such policies to occupants in this state shall appoint a supervising  
267 entity, and shall provide the name and contact information of such  
268 supervising entity to the commissioner and such owners.

269 (3) Each supervising entity shall maintain a registry containing the  
270 locations used by each owner in this state to offer or sell self-service  
271 storage insurance policies issued by the insurer that appointed such  
272 supervising entity. Each supervising entity shall, not later than ten  
273 days after such supervising entity receives a request from the  
274 commissioner, make such registry available for inspection by the  
275 commissioner or the commissioner's designee during such supervising  
276 entity's regular business hours.

277 (g) The Insurance Commissioner may:

278 (1) Refuse to issue or renew, for cause and after notice and a  
279 hearing, a self-service storage insurance license issued pursuant to this  
280 section. Any person aggrieved by the commissioner's disapproval or  
281 refusal to renew a self-service storage insurance license may appeal  
282 therefrom in accordance with the provisions of section 4-183 of the  
283 general statutes, except venue for such appeal shall be in the judicial  
284 district of New Britain; and

285 (2) Suspend or revoke a self-service storage insurance license issued  
286 pursuant to this section, and impose a fine in addition to or in lieu of  
287 such suspension or revocation in accordance with section 38a-774 of

288 the general statutes. The commissioner may, either in addition to or in  
289 lieu of such suspension or revocation, issue a cease and desist order  
290 suspending the privilege of offering or selling self-service storage  
291 insurance policies at specific locations or by specific employees or  
292 authorized representatives.

293 (h) Notwithstanding any provision of the general statutes, no owner  
294 shall be required to undergo any examination, education or continuing  
295 education as a condition to receiving or renewing a self-service storage  
296 insurance license pursuant to this section.

297 (i) The commissioner may adopt regulations, in accordance with  
298 chapter 54 of the general statutes, to implement the provisions of this  
299 section.

300 Sec. 3. Subsection (a) of section 38a-11 of the general statutes is  
301 repealed and the following is substituted in lieu thereof (*Effective*  
302 *October 1, 2019*):

303 (a) The commissioner shall demand and receive the following fees:  
304 (1) For the annual fee for each license issued to a domestic insurance  
305 company, two hundred dollars; (2) for receiving and filing annual  
306 reports of domestic insurance companies, fifty dollars; (3) for filing all  
307 documents prerequisite to the issuance of a license to an insurance  
308 company, two hundred twenty dollars, except that the fee for such  
309 filings by any health care center, as defined in section 38a-175, shall be  
310 one thousand three hundred fifty dollars; (4) for filing any additional  
311 paper required by law, thirty dollars; (5) for each certificate of  
312 valuation, organization, reciprocity or compliance, forty dollars; (6) for  
313 each certified copy of a license to a company, forty dollars; (7) for each  
314 certified copy of a report or certificate of condition of a company to be  
315 filed in any other state, forty dollars; (8) for amending a certificate of  
316 authority, two hundred dollars; (9) for each license issued to a rating  
317 organization, two hundred dollars. In addition, insurance companies  
318 shall pay any fees imposed under section 12-211; (10) a filing fee of  
319 fifty dollars for each initial application for a license made pursuant to

320 section 38a-769; (11) with respect to insurance agents' appointments:  
321 (A) A filing fee of fifty dollars for each request for any agent  
322 appointment, except that no filing fee shall be payable for a request for  
323 agent appointment by an insurance company domiciled in a state or  
324 foreign country which does not require any filing fee for a request for  
325 agent appointment for a Connecticut insurance company; (B) a fee of  
326 one hundred dollars for each appointment issued to an agent of a  
327 domestic insurance company or for each appointment continued; and  
328 (C) a fee of eighty dollars for each appointment issued to an agent of  
329 any other insurance company or for each appointment continued,  
330 except that (i) no fee shall be payable for an appointment issued to an  
331 agent of an insurance company domiciled in a state or foreign country  
332 which does not require any fee for an appointment issued to an agent  
333 of a Connecticut insurance company, and (ii) the fee shall be twenty  
334 dollars for each appointment issued or continued to an agent of an  
335 insurance company domiciled in a state or foreign country with a  
336 premium tax rate below Connecticut's premium tax rate; (12) with  
337 respect to insurance producers: (A) An examination fee of fifteen  
338 dollars for each examination taken, except when a testing service is  
339 used, the testing service shall pay a fee of fifteen dollars to the  
340 commissioner for each examination taken by an applicant; (B) a fee of  
341 eighty dollars for each license issued; (C) a fee of eighty dollars per  
342 year, or any portion thereof, for each license renewed; and (D) a fee of  
343 eighty dollars for any license renewed under the transitional process  
344 established in section 38a-784; (13) with respect to public adjusters: (A)  
345 An examination fee of fifteen dollars for each examination taken,  
346 except when a testing service is used, the testing service shall pay a fee  
347 of fifteen dollars to the commissioner for each examination taken by an  
348 applicant; and (B) a fee of two hundred fifty dollars for each license  
349 issued or renewed; (14) with respect to casualty claims adjusters: (A)  
350 An examination fee of twenty dollars for each examination taken,  
351 except when a testing service is used, the testing service shall pay a fee  
352 of twenty dollars to the commissioner for each examination taken by  
353 an applicant; (B) a fee of eighty dollars for each license issued or  
354 renewed; and (C) the expense of any examination administered

355 outside the state shall be the responsibility of the entity making the  
356 request and such entity shall pay to the commissioner two hundred  
357 dollars for such examination and the actual traveling expenses of the  
358 examination administrator to administer such examination; (15) with  
359 respect to motor vehicle physical damage appraisers: (A) An  
360 examination fee of eighty dollars for each examination taken, except  
361 when a testing service is used, the testing service shall pay a fee of  
362 eighty dollars to the commissioner for each examination taken by an  
363 applicant; (B) a fee of eighty dollars for each license issued or renewed;  
364 and (C) the expense of any examination administered outside the state  
365 shall be the responsibility of the entity making the request and such  
366 entity shall pay to the commissioner two hundred dollars for such  
367 examination and the actual traveling expenses of the examination  
368 administrator to administer such examination; (16) with respect to  
369 certified insurance consultants: (A) An examination fee of twenty-six  
370 dollars for each examination taken, except when a testing service is  
371 used, the testing service shall pay a fee of twenty-six dollars to the  
372 commissioner for each examination taken by an applicant; (B) a fee of  
373 two hundred fifty dollars for each license issued; and (C) a fee of two  
374 hundred fifty dollars for each license renewed; (17) with respect to  
375 surplus lines brokers: (A) An examination fee of twenty dollars for  
376 each examination taken, except when a testing service is used, the  
377 testing service shall pay a fee of twenty dollars to the commissioner for  
378 each examination taken by an applicant; and (B) a fee of six hundred  
379 twenty-five dollars for each license issued or renewed; (18) with  
380 respect to fraternal agents, a fee of eighty dollars for each license  
381 issued or renewed; (19) a fee of twenty-six dollars for each license  
382 certificate requested, whether or not a license has been issued; (20)  
383 with respect to domestic and foreign benefit societies shall pay: (A) For  
384 service of process, fifty dollars for each person or insurer to be served;  
385 (B) for filing a certified copy of its charter or articles of association,  
386 fifteen dollars; (C) for filing an annual statement or report, twenty  
387 dollars; and (D) for filing any additional paper required by law, fifteen  
388 dollars; (21) with respect to foreign benefit societies: (A) For each  
389 certificate of organization or compliance, fifteen dollars; (B) for each

390 certified copy of permit, fifteen dollars; and (C) for each copy of a  
391 report or certificate of condition of a society to be filed in any other  
392 state, fifteen dollars; (22) with respect to reinsurance intermediaries, a  
393 fee of six hundred twenty-five dollars for each license issued or  
394 renewed; (23) with respect to life settlement providers: (A) A filing fee  
395 of twenty-six dollars for each initial application for a license made  
396 pursuant to section 38a-465a; and (B) a fee of forty dollars for each  
397 license issued or renewed; (24) with respect to life settlement brokers:  
398 (A) A filing fee of twenty-six dollars for each initial application for a  
399 license made pursuant to section 38a-465a; and (B) a fee of forty dollars  
400 for each license issued or renewed; (25) with respect to preferred  
401 provider networks, a fee of two thousand seven hundred fifty dollars  
402 for each license issued or renewed; (26) with respect to rental  
403 companies, as defined in section 38a-799, a fee of eighty dollars for  
404 each permit issued or renewed; (27) with respect to medical discount  
405 plan organizations licensed under section 38a-479rr, a fee of six  
406 hundred twenty-five dollars for each license issued or renewed; (28)  
407 with respect to pharmacy benefits managers, an application fee of one  
408 hundred dollars for each registration issued or renewed; (29) with  
409 respect to captive insurance companies, as defined in section 38a-91aa,  
410 a fee of three hundred seventy-five dollars for each license issued or  
411 renewed; (30) with respect to each duplicate license issued a fee of fifty  
412 dollars for each license issued; (31) with respect to surety bail bond  
413 agents, as defined in section 38a-660, (A) a filing fee of one hundred  
414 fifty dollars for each initial application for a license, and (B) a fee of one  
415 hundred dollars for each license issued or renewed; (32) with respect  
416 to third-party administrators, as defined in section 38a-720, (A) a fee of  
417 five hundred dollars for each license issued, and (B) a fee of four  
418 hundred fifty dollars for each license renewed; (33) with respect to  
419 portable electronics insurance licenses under section 38a-397, (A) a  
420 filing fee of one hundred dollars for each initial application for a  
421 license, (B) a fee of five hundred dollars for each license issued, and (C)  
422 a fee of four hundred fifty dollars for each license renewed; [and] (34)  
423 with respect to limited lines travel insurance producer licenses under  
424 section 38a-398, (A) a filing fee of one hundred dollars for each initial

425 application for a license, (B) a fee of six hundred fifty dollars for each  
426 license issued, and (C) a fee of six hundred fifty dollars for each license  
427 renewed; and (35) with respect to self-service storage insurance  
428 licenses under section 2 of this act, (A) a filing fee of one hundred  
429 dollars for each initial application for a license, (B) a fee of five  
430 hundred dollars for each license issued, and (C) a fee of four hundred  
431 fifty dollars for each license renewed.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2019</i>	38a-1
Sec. 2	<i>October 1, 2019</i>	New section
Sec. 3	<i>October 1, 2019</i>	38a-11(a)

**Statement of Purpose:**

To regulate the sale of self-service storage insurance in this state.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*