AN ACT CONCERNING SELF-SERVICE STORAGE INSURANCE.

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

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 Section 38a-1 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

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

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

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

(3) "Annuities" means all agreements to make periodical payments where the making or continuance of all or some of the series of the payments, or the amount of the payment, is dependent upon the continuance of human life or is for a specified term of years. This definition does not apply to payments made under a policy of life insurance.

(4) "Commissioner" means the Insurance Commissioner.

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

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

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

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

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

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

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

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

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

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

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

(16) "Person" means an individual, a corporation, a partnership, a
limited liability company, an association, a joint stock company, a
business trust, an unincorporated organization or other legal entity.

(17) "Policy" means any document, including attached
endorsements and riders, purporting to be an enforceable contract,
which memorializes in writing some or all of the terms of an insurance
contract.
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18 "State" means any state, district, or territory of the United States.

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

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

21 "United States" means the United States of America, its
territories and possessions, the Commonwealth of Puerto Rico and the
District of Columbia.

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

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

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

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

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

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

6 "Rental agreement" means a written agreement or lease that
establishes or modifies the terms, conditions, rules or any other
provisions concerning the use and occupancy of storage space at a self-
service storage facility;
(7) "Self-service storage facility" means real property in this state that is designed and used for the leasing or renting of storage space to occupants who are to have access to such space only for storing and removing personal property;

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

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

(b) (1) No owner shall offer or sell self-service storage insurance coverage in this state without first obtaining a self-service storage insurance license from the commissioner pursuant to this section, except that each owner offering or selling self-service storage insurance coverage in this state prior to October 1, 2019, may continue to offer or sell such coverage until the owner's initial application for such license is approved or denied by the commissioner, provided such owner files such application not later than ninety days after the date on which the commissioner prescribes a form for such application. Any self-service storage insurance license issued by the commissioner pursuant to this section shall be in force until January thirty-first of each even-numbered year, unless such license is sooner revoked or suspended by the commissioner.

(2) An owner is not required to be licensed under this section solely to display and make available to occupants and prospective occupants brochures and other promotional materials created by or on behalf of an insurer licensed to transact insurance business, and authorized to write property and casualty insurance, in this state.
(3) An owner's self-service storage insurance license shall authorize each employee and authorized representative of such owner to offer and sell self-service storage insurance coverage at each location where such owner conducts business. No such employee or authorized representative shall be required to be licensed under chapter 701a of the general statutes, provided:

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

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

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

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

(i) (I) The name and residence address of, and any other information that the commissioner, in the commissioner's discretion, may require concerning, such owner or an employee or officer of such owner, or the insurer or supervising entity supervising such owner, who will serve as the person responsible for such owner's compliance with this section; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(9) A statement disclosing that an occupant covered under self-service storage insurance may cancel such coverage at any time, and that the person paying the premium for such coverage will receive a refund of, or a credit for, any unearned premium under such coverage.
(d) (1) If self-service storage insurance is included at no additional charge with a lease of storage space, the owner shall clearly and conspicuously disclose, in writing, to the occupant or prospective occupant that such insurance is included at no additional charge with the lease of the storage space.

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

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

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

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

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

(e) (1) Self-service storage insurance coverage shall not be offered or sold in this state unless such insurance coverage is issued by an insurer that is authorized to write such lines of business in this state. Such insurance coverage may be issued as an individual, group, master, corporate or commercial policy. An insurer authorized to issue self-service storage insurance coverage in this state shall file a copy of the form for such coverage in accordance with subsection (c) of section 38a-676 of the general statutes.
(2) An insurer that issues self-service storage insurance coverage in this state and does not directly supervise the owners offering or selling such coverage to occupants in this state shall appoint a supervising entity, and shall provide the name and contact information of such supervising entity to the commissioner and such owners.

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

(g) The Insurance Commissioner may:

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

(2) Suspend or revoke a self-service storage insurance license issued pursuant to this section, and impose a fine in addition to or in lieu of such suspension or revocation in accordance with section 38a-774 of the general statutes. The commissioner may, either in addition to or in lieu of such suspension or revocation, issue a cease and desist order suspending the privilege of offering or selling self-service storage insurance coverage at specific locations or by specific employees or authorized representatives.

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

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

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

(a) The commissioner shall demand and receive the following fees:

(1) For the annual fee for each license issued to a domestic insurance company, two hundred dollars; (2) for receiving and filing annual reports of domestic insurance companies, fifty dollars; (3) for filing all documents prerequisite to the issuance of a license to an insurance company, two hundred twenty dollars, except that the fee for such filings by any health care center, as defined in section 38a-175, shall be one thousand three hundred fifty dollars; (4) for filing any additional paper required by law, thirty dollars; (5) for each certificate of valuation, organization, reciprocity or compliance, forty dollars; (6) for each certified copy of a license to a company, forty dollars; (7) for each certified copy of a report or certificate of condition of a company to be filed in any other state, forty dollars; (8) for amending a certificate of authority, two hundred dollars; (9) for each license issued to a rating organization, two hundred dollars. In addition, insurance companies shall pay any fees imposed under section 12-211; (10) a filing fee of fifty dollars for each initial application for a license made pursuant to section 38a-769; (11) with respect to insurance agents' appointments:

(A) A filing fee of fifty dollars for each request for any agent appointment, except that no filing fee shall be payable for a request for agent appointment by an insurance company domiciled in a state or foreign country which does not require any filing fee for a request for agent appointment for a Connecticut insurance company; (B) a fee of one hundred dollars for each appointment issued to an agent of a domestic insurance company or for each appointment continued; and (C) a fee of eighty dollars for each appointment issued to an agent of
any other insurance company or for each appointment continued,
except that (i) no fee shall be payable for an appointment issued to an
agent of an insurance company domiciled in a state or foreign country
which does not require any fee for an appointment issued to an agent
of a Connecticut insurance company, and (ii) the fee shall be twenty
dollars for each appointment issued or continued to an agent of an
insurance company domiciled in a state or foreign country with a
premium tax rate below Connecticut's premium tax rate; (12) with
respect to insurance producers: (A) An examination fee of fifteen
dollars for each examination taken, except when a testing service is
used, the testing service shall pay a fee of fifteen dollars to the
commissioner for each examination taken by an applicant; (B) a fee of
eighty dollars for each license issued; (C) a fee of eighty dollars per
year, or any portion thereof, for each license renewed; and (D) a fee of
eighty dollars for any license renewed under the transitional process
established in section 38a-784; (13) with respect to public adjusters: (A)
An examination fee of fifteen dollars for each examination taken,
except when a testing service is used, the testing service shall pay a fee
of fifteen dollars to the commissioner for each examination taken by an
applicant; and (B) a fee of two hundred fifty dollars for each license
issued or renewed; (14) with respect to casualty claims adjusters: (A)
An examination fee of twenty dollars for each examination taken,
except when a testing service is used, the testing service shall pay a fee
of twenty dollars to the commissioner for each examination taken by
an applicant; (B) a fee of eighty dollars for each license issued or
renewed; and (C) the expense of any examination administered
outside the state shall be the responsibility of the entity making the
request and such entity shall pay to the commissioner two hundred
dollars for such examination and the actual traveling expenses of the
examination administrator to administer such examination; (15) with
respect to motor vehicle physical damage appraisers: (A) An
examination fee of eighty dollars for each examination taken, except
when a testing service is used, the testing service shall pay a fee of
eighty dollars to the commissioner for each examination taken by an
applicant; (B) a fee of eighty dollars for each license issued or renewed;
and (C) the expense of any examination administered outside the state shall be the responsibility of the entity making the request and such entity shall pay to the commissioner two hundred dollars for such examination and the actual traveling expenses of the examination administrator to administer such examination; (16) with respect to certified insurance consultants: (A) An examination fee of twenty-six dollars for each examination taken, except when a testing service is used, the testing service shall pay a fee of twenty-six dollars to the commissioner for each examination taken by an applicant; (B) a fee of two hundred fifty dollars for each license issued; and (C) a fee of two hundred fifty dollars for each license renewed; (17) with respect to surplus lines brokers: (A) An examination fee of twenty dollars for each examination taken, except when a testing service is used, the testing service shall pay a fee of twenty dollars to the commissioner for each examination taken by an applicant; and (B) a fee of six hundred twenty-five dollars for each license issued or renewed; (18) with respect to fraternal agents, a fee of eighty dollars for each license issued or renewed; (19) a fee of twenty-six dollars for each license certificate requested, whether or not a license has been issued; (20) with respect to domestic and foreign benefit societies shall pay: (A) For service of process, fifty dollars for each person or insurer to be served; (B) for filing a certified copy of its charter or articles of association, fifteen dollars; (C) for filing an annual statement or report, twenty dollars; and (D) for filing any additional paper required by law, fifteen dollars; (21) with respect to foreign benefit societies: (A) For each certificate of organization or compliance, fifteen dollars; (B) for each certified copy of permit, fifteen dollars; and (C) for each copy of a report or certificate of condition of a society to be filed in any other state, fifteen dollars; (22) with respect to reinsurance intermediaries, a fee of six hundred twenty-five dollars for each license issued or renewed; (23) with respect to life settlement providers: (A) A filing fee of twenty-six dollars for each initial application for a license made pursuant to section 38a-465a; and (B) a fee of forty dollars for each license issued or renewed; (24) with respect to life settlement brokers: (A) A filing fee of twenty-six dollars for each initial application for a
license made pursuant to section 38a-465a; and (B) a fee of forty dollars
for each license issued or renewed; (25) with respect to preferred
provider networks, a fee of two thousand seven hundred fifty dollars
for each license issued or renewed; (26) with respect to rental
companies, as defined in section 38a-799, a fee of eighty dollars for
each permit issued or renewed; (27) with respect to medical discount
plan organizations licensed under section 38a-479rr, a fee of six
hundred twenty-five dollars for each license issued or renewed; (28)
with respect to pharmacy benefits managers, an application fee of one
hundred dollars for each registration issued or renewed; (29) with
respect to captive insurance companies, as defined in section 38a-91aa,
a fee of three hundred seventy-five dollars for each license issued or
renewed; (30) with respect to health services, as defined in section 38a-91aa,
a fee of three hundred seventy-five dollars for each license issued or
renewed; (31) with respect to surety bail bond
agents, as defined in section 38a-660, (A) a filing fee of one hundred
fifty dollars for each initial application for a license, and (B) a fee of one
hundred dollars for each license issued or renewed; (32) with respect
to third-party administrators, as defined in section 38a-720, (A) a fee of
five hundred dollars for each license issued, and (B) a fee of four
hundred fifty dollars for each license renewed; (33) with respect to
portable electronics insurance licenses under section 38a-397, (A) a
filing fee of one hundred dollars for each initial application for a
license, (B) a fee of four hundred fifty dollars for each license issued, and (C)
a fee of four hundred fifty dollars for each license renewed; [and] (34)
with respect to limited lines travel insurance producer licenses under
section 38a-398, (A) a filing fee of one hundred dollars for each initial
application for a license, (B) a fee of six hundred fifty dollars for each
license issued, and (C) a fee of six hundred fifty dollars for each license
renewed; and (35) with respect to self-service storage insurance
licenses under section 2 of this act, (A) a filing fee of one hundred
dollars for each initial application for a license, (B) a fee of five
hundred dollars for each license issued, and (C) a fee of four hundred
fifty dollars for each license renewed.
This act shall take effect as follows and shall amend the following sections:

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