



General Assembly

February Session, 2024

Raised Bill No. 5250

LCO No. 1031



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 Section 38a-1 of the general statutes is repealed and the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, 2024*):

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 indirectly
7 through one or more intermediaries, controls, is controlled by or is
8 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 or
11 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" means
20 the possession, direct or indirect, of the power to direct or cause the
21 direction of the management and policies of a person, whether through
22 the ownership of voting securities, by contract other than a commercial
23 contract for goods or nonmanagement services, or otherwise, unless the
24 power is the result of an official position with the person.

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

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

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

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

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

45 company at the time of admission or subsequent thereto.

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

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

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

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

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

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

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

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

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

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

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

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

92 Sec. 2. (NEW) (*Effective October 1, 2024*) (a) For the purposes of this
93 section:

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

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

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

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

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

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

110 (7) "Self-service storage facility" has the same meaning as provided in
111 section 42-159 of the general statutes;

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

117 (9) "Supervising person" means any insurer licensed to transact
118 insurance business in this state and authorized to write personal or
119 commercial risk insurance business in this state, or any insurance
120 producer licensed in this state, appointed by any insurer to supervise
121 the owners who are offering or selling self-service storage insurance
122 coverage on behalf of the appointing insurer.

123 (b) (1) No owner shall offer or sell self-service storage insurance
124 coverage in this state without first obtaining a self-service storage
125 insurance license from the commissioner pursuant to this section.
126 Notwithstanding the provisions of this subdivision, each owner who
127 offers or sells self-service storage insurance coverage in this state prior
128 to October 1, 2024, may continue to offer or sell such insurance coverage
129 until such owner's initial application for a self-service storage insurance
130 license is approved or denied by the commissioner, provided such
131 owner files such application not later than ninety days after the date on
132 which the commissioner prescribes a form for such application. Each
133 self-service storage insurance license issued by the commissioner
134 pursuant to this section shall be in force until January thirty-first of the
135 next even-numbered year, unless such license is revoked or suspended

136 by the commissioner prior to such date.

137 (2) No owner shall be required to be licensed under this section solely
138 to display and make available to occupants and prospective occupants
139 brochures and other promotional materials created by or on behalf of
140 any insurer licensed to transact insurance business, and authorized to
141 write property and casualty insurance, in this state.

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

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

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

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

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

161 (i) (I) The name and business address of such owner and any other
162 information that the commissioner may require concerning such owner
163 or any employee or officer of such owner, or the insurer or supervising
164 person supervising such owner, who will serve as the person
165 responsible for such owner's compliance with this section; and

166 (II) If such owner is not an individual and derives more than fifty per
167 cent of such owner's revenue from the sale of self-service storage
168 insurance coverage, such owner shall include the name and business
169 address of such owner and any other information that the commissioner
170 may require for all shareholders of such owner who are directly or
171 indirectly the beneficial owner of ten per cent or more of any class of
172 security of such owner, and all of the officers and directors of such
173 owner; and

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

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

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

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

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

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

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

195 (c) Each owner who offers or sells self-service storage insurance

196 coverage shall make available, at each location where such owner offers
197 or sells such coverage to occupants or prospective occupants in this
198 state, brochures or other written or electronic materials that contain, at
199 a minimum, the following:

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

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

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

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

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

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

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

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

221 (9) A statement disclosing that any occupant covered under self-
222 service storage insurance may cancel such coverage at any time, and that
223 the person who pays the premium for such coverage will receive a
224 refund of, or a credit for, any unearned premium under such coverage.

225 (d) (1) If self-service storage insurance coverage is included at no
226 additional charge with any lease of storage space, the owner shall clearly
227 and conspicuously disclose, in writing, to the occupant or prospective
228 occupant that such insurance is included at no additional charge with
229 the lease of the storage space.

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

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

235 (B) Such owner remits such payment to the insurer issuing such self-
236 service storage insurance coverage, or the supervising person appointed
237 by such insurer, not later than sixty days after such owner receives such
238 payment.

239 (3) No owner shall be required to maintain payments collected
240 pursuant to subdivision (2) of this subsection in a segregated account if
241 the insurer that issued the self-service storage insurance coverage, or the
242 supervising person appointed by such insurer, authorizes the owner to
243 commingle such payments. All premium payments collected by any
244 owner pursuant to said subdivision shall be held by the owner in a
245 fiduciary capacity for the benefit of the insurer.

246 (4) Any owner may receive compensation for billing and collection
247 services.

248 (e) (1) Self-service storage insurance coverage shall not be offered or
249 sold in this state unless such insurance coverage is issued by an insurer
250 that is authorized to write such lines of business in this state. Such
251 insurance coverage may be issued as an individual, group, master,
252 corporate or commercial policy. Any insurer authorized to issue self-
253 service storage insurance coverage in this state shall file a copy of the
254 form for such coverage in accordance with subsection (c) of section 38a-
255 676 of the general statutes.

256 (2) Any insurer that issues self-service storage insurance coverage in
257 this state and does not directly supervise the owners offering or selling
258 such coverage to occupants in this state shall appoint a supervising
259 person, and shall provide the name and contact information of such
260 supervising person to the commissioner and such owners.

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

269 (f) The Insurance Commissioner may:

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

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

285 (g) Notwithstanding any provision of the general statutes, no owner
286 shall be required to undergo any examination, education or continuing
287 education as a condition to receiving or renewing a self-service storage

288 insurance license pursuant to this section.

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

292 Sec. 3. Subsection (a) of section 38a-11 of the 2024 supplement to the
293 general statutes is repealed and the following is substituted in lieu
294 thereof (*Effective October 1, 2024*):

295 (a) The commissioner shall demand and receive the following fees:
296 (1) For the annual fee for each license issued to a domestic insurance
297 company, two hundred dollars; (2) for receiving and filing annual
298 reports of domestic insurance companies, fifty dollars; (3) for filing all
299 documents prerequisite to the issuance of a license to an insurance
300 company, two hundred twenty dollars, except that the fee for such
301 filings by any health care center, as defined in section 38a-175, shall be
302 one thousand three hundred fifty dollars; (4) for filing any additional
303 paper required by law, thirty dollars; (5) for each certificate of valuation,
304 organization, reciprocity or compliance, forty dollars; (6) for each
305 certified copy of a license to a company, forty dollars; (7) for each
306 certified copy of a report or certificate of condition of a company to be
307 filed in any other state, forty dollars; (8) for amending a certificate of
308 authority, two hundred dollars; (9) for each license issued to a rating
309 organization, two hundred dollars. In addition, insurance companies
310 shall pay any fees imposed under section 12-211; (10) a filing fee of fifty
311 dollars for each initial application for a license made pursuant to section
312 38a-769; (11) with respect to insurance agents' appointments: (A) A
313 filing fee of fifty dollars for each request for any agent appointment,
314 except that no filing fee shall be payable for a request for agent
315 appointment by an insurance company domiciled in a state or foreign
316 country which does not require any filing fee for a request for agent
317 appointment for a Connecticut insurance company; (B) a fee of one
318 hundred dollars for each appointment issued to an agent of a domestic
319 insurance company or for each appointment continued; and (C) a fee of
320 eighty dollars for each appointment issued to an agent of any other

321 insurance company or for each appointment continued, except that (i)
322 no fee shall be payable for an appointment issued to an agent of an
323 insurance company domiciled in a state or foreign country which does
324 not require any fee for an appointment issued to an agent of a
325 Connecticut insurance company, and (ii) the fee shall be twenty dollars
326 for each appointment issued or continued to an agent of an insurance
327 company domiciled in a state or foreign country with a premium tax
328 rate below Connecticut's premium tax rate; (12) with respect to
329 insurance producers: (A) An examination fee of fifteen dollars for each
330 examination taken, except when a testing service is used, the testing
331 service shall pay a fee of fifteen dollars to the commissioner for each
332 examination taken by an applicant; (B) a fee of eighty dollars for each
333 license issued; (C) a fee of eighty dollars per year, or any portion thereof,
334 for each license renewed; and (D) a fee of eighty dollars for any license
335 renewed under the transitional process established in section 38a-784;
336 (13) with respect to public adjusters: (A) An examination fee of fifteen
337 dollars for each examination taken, except when a testing service is
338 used, the testing service shall pay a fee of fifteen dollars to the
339 commissioner for each examination taken by an applicant; and (B) a fee
340 of two hundred fifty dollars for each license issued or renewed; (14) with
341 respect to casualty claims adjusters: (A) An examination fee of twenty
342 dollars for each examination taken, except when a testing service is
343 used, the testing service shall pay a fee of twenty dollars to the
344 commissioner for each examination taken by an applicant; (B) a fee of
345 eighty dollars for each license issued or renewed; and (C) the expense of
346 any examination administered outside the state shall be the
347 responsibility of the entity making the request and such entity shall pay
348 to the commissioner two hundred dollars for such examination and the
349 actual traveling expenses of the examination administrator to
350 administer such examination; (15) with respect to motor vehicle
351 physical damage appraisers: (A) An examination fee of eighty dollars
352 for each examination taken, except when a testing service is used, the
353 testing service shall pay a fee of eighty dollars to the commissioner for
354 each examination taken by an applicant; (B) a fee of eighty dollars for
355 each license issued or renewed; and (C) the expense of any examination

356 administered outside the state shall be the responsibility of the entity
357 making the request and such entity shall pay to the commissioner two
358 hundred dollars for such examination and the actual traveling expenses
359 of the examination administrator to administer such examination; (16)
360 with respect to certified insurance consultants: (A) An examination fee
361 of twenty-six dollars for each examination taken, except when a testing
362 service is used, the testing service shall pay a fee of twenty-six dollars to
363 the commissioner for each examination taken by an applicant; (B) a fee
364 of two hundred fifty dollars for each license issued; and (C) a fee of two
365 hundred fifty dollars for each license renewed; (17) with respect to
366 surplus lines brokers: (A) An examination fee of twenty dollars for each
367 examination taken, except when a testing service is used, the testing
368 service shall pay a fee of twenty dollars to the commissioner for each
369 examination taken by an applicant; and (B) a fee of six hundred twenty-
370 five dollars for each license issued or renewed; (18) with respect to
371 fraternal agents, a fee of eighty dollars for each license issued or
372 renewed; (19) a fee of twenty-six dollars for each license certificate
373 requested, whether or not a license has been issued; (20) with respect to
374 domestic and foreign benefit societies shall pay: (A) For service of
375 process, fifty dollars for each person or insurer to be served; (B) for filing
376 a certified copy of its charter or articles of association, fifteen dollars; (C)
377 for filing an annual statement or report, twenty dollars; and (D) for filing
378 any additional paper required by law, fifteen dollars; (21) with respect
379 to foreign benefit societies: (A) For each certificate of organization or
380 compliance, fifteen dollars; (B) for each certified copy of permit, fifteen
381 dollars; and (C) for each copy of a report or certificate of condition of a
382 society to be filed in any other state, fifteen dollars; (22) with respect to
383 reinsurance intermediaries, a fee of six hundred twenty-five dollars for
384 each license issued or renewed; (23) with respect to life settlement
385 providers: (A) A filing fee of twenty-six dollars for each initial
386 application for a license made pursuant to section 38a-465a; and (B) a
387 fee of forty dollars for each license issued or renewed; (24) with respect
388 to life settlement brokers: (A) A filing fee of twenty-six dollars for each
389 initial application for a license made pursuant to section 38a-465a; and
390 (B) a fee of forty dollars for each license issued or renewed; (25) with

391 respect to preferred provider networks, a fee of two thousand seven
392 hundred fifty dollars for each license issued or renewed; (26) with
393 respect to rental companies, as defined in section 38a-799, a fee of eighty
394 dollars for each permit issued or renewed; (27) with respect to medical
395 discount plan organizations licensed under section 38a-479rr, a fee of six
396 hundred twenty-five dollars for each license issued or renewed; (28)
397 with respect to pharmacy benefits managers, an application fee of one
398 hundred dollars for each registration issued or renewed; (29) with
399 respect to captive insurance companies, as defined in section 38a-91aa,
400 a fee of three hundred seventy-five dollars for each license issued or
401 renewed; (30) with respect to each duplicate license issued a fee of fifty
402 dollars for each license issued; (31) with respect to surety bail bond
403 agents, as defined in section 38a-660, (A) a filing fee of one hundred fifty
404 dollars for each initial application for a license, and (B) a fee of one
405 hundred dollars for each license issued or renewed; (32) with respect to
406 third-party administrators, as defined in section 38a-720, (A) a fee of five
407 hundred dollars for each license issued, and (B) a fee of four hundred
408 fifty dollars for each license renewed; (33) with respect to portable
409 electronics insurance licenses under section 38a-397, (A) a filing fee of
410 one hundred dollars for each initial application for a license, (B) a fee of
411 five hundred dollars for each license issued, and (C) a fee of four
412 hundred fifty dollars for each license renewed; (34) with respect to
413 limited lines travel insurance producer licenses under section 38a-398,
414 (A) a filing fee of one hundred dollars for each initial application for a
415 license, (B) a fee of six hundred fifty dollars for each license issued, and
416 (C) a fee of six hundred fifty dollars for each license renewed; (35) with
417 respect to certified reinsurers, as certified by the commissioner pursuant
418 to regulations adopted pursuant to section 38a-85, a fee of two thousand
419 dollars for each certificate issued and renewed; [and] (36) with respect
420 to reciprocal jurisdiction reinsurers, as defined in regulations adopted
421 pursuant to section 38a-85, a fee of two thousand dollars for each
422 certificate issued and renewed; and (37) with respect to self-service
423 storage insurance licenses under section 2 of this act, (A) a filing fee of
424 one hundred dollars for each initial application for a license, (B) a fee of
425 five hundred dollars for each license issued, and (C) a fee of four

426 hundred fifty dollars for each license renewed.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2024</i>	38a-1
Sec. 2	<i>October 1, 2024</i>	New section
Sec. 3	<i>October 1, 2024</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.]