

SENATE BILL NO. 927

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR CRAWFORD.

3195S.01H

KRISTINA MARTIN, Secretary

AN ACT

To repeal section 379.1640, RSMo, and to enact in lieu thereof one new section relating to self-service storage insurance.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 379.1640, RSMo, is repealed and one
2 new section enacted in lieu thereof, to be known as section
3 379.1640, to read as follows:

379.1640. 1. As used in this section, the following
2 terms shall mean:

3 (1) "Department", the department of commerce and
4 insurance;

5 (2) "Director", the director of the department of
6 commerce and insurance;

7 (3) "Limited lines self-service storage insurance
8 producer", an owner, operator, lessor, or sublessor of a
9 self-service storage facility, or an agent or other person
10 authorized to manage the facility, duly licensed by the
11 department of commerce and insurance;

12 (4) "Offer and disseminate", provide general
13 information, including a description of the coverage and
14 price, as well as process the application, collect premiums,
15 and perform other nonlicensable activities permitted by the
16 state;

17 (5) "Self-service storage insurance", insurance
18 coverage for the loss of, or damage to, tangible personal

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

19 property in a self-service storage facility as defined in
20 section 415.405 or in transit during the rental period.

21 2. Notwithstanding any other provision of law:

22 (1) Individuals may offer and disseminate self-service
23 storage insurance on behalf of and under the control of a
24 limited lines self-service storage insurance producer only
25 if the following conditions are met:

26 (a) The limited lines self-service storage insurance
27 producer provides to purchasers of self-service storage
28 insurance:

29 a. A description of the material terms or the actual
30 material terms of the insurance coverage;

31 b. A description of the process for filing a claim;

32 c. A description of the review or cancellation process
33 for the self-service storage insurance coverage; and

34 d. The identity and contact information of the insurer
35 and any third-party administrator or supervising entity
36 authorized to act on behalf of the insurer;

37 (b) At the time of licensure, the limited lines self-
38 service storage insurance producer shall establish and
39 maintain a register on a form prescribed by the director of
40 each individual that offers self-service storage insurance
41 on the limited lines self-service storage insurance
42 producer's behalf. The register shall be maintained and
43 updated annually by the limited lines self-service storage
44 insurance producer and shall include the name, address, and
45 contact information of the limited lines self-service
46 storage insurance producer and an officer or person who
47 directs or controls the limited lines self-service storage
48 insurance producer's operations, and the self-service
49 storage facility's federal tax identification number. The
50 limited lines self-service storage insurance producer shall

51 submit such register within thirty days upon request by the
52 department. The limited lines self-service storage
53 insurance producer shall also certify that each individual
54 listed on the self-service storage register complies with 18
55 U.S.C. Section 1033;

56 (c) The limited lines self-service storage insurance
57 producer serves as or has designated one of its employees
58 who is a licensed individual producer as a person
59 responsible for the business entity's compliance with the
60 self-service storage insurance laws, rules, and regulations
61 of this state;

62 (d) An individual applying for a limited lines self-
63 service storage insurance producer license shall make
64 application to the director on the specified application and
65 declare under penalty of refusal, suspension or revocation
66 of the license that the statements made on the application
67 are true, correct and complete to the best of the knowledge
68 and belief of the applicant. Before approving the
69 application, the director shall find that the individual:

70 a. Is at least eighteen years of age;

71 b. Has not committed any act that is a ground for
72 denial, suspension, or revocation set forth in section
73 375.141;

74 c. Has paid a license fee in the sum of one hundred
75 dollars; and

76 d. Has completed a qualified training program
77 regarding self-service storage insurance policies, which has
78 been filed with and approved by the director;

79 (e) Individuals applying for limited lines self-
80 service storage insurance producer licenses shall be exempt
81 from examination. The director may require any documents
82 reasonably necessary to verify the information contained in

83 an application. Within thirty working days after the change
84 of any information submitted on the application, the self-
85 service storage insurance producer shall notify the director
86 of the change. No fee shall be charged for any such
87 change. If the director has taken no action within twenty-
88 five working days of receipt of an application, the
89 application shall be deemed approved and the applicant may
90 act as a licensed self-service storage insurance producer,
91 unless the applicant has indicated a conviction for a felony
92 or a crime involving moral turpitude;

93 (f) The limited lines self-service storage insurance
94 producer requires each employee and authorized
95 representative of the self-service storage insurance
96 producer whose duties include offering and disseminating
97 self-service storage insurance to receive a program of
98 instruction or training provided or authorized by the
99 insurer or supervising entity that has been reviewed and
100 approved by the director. The training material shall, at a
101 minimum, contain instructions on the types of insurance
102 offered, ethical sales practices, and required disclosures
103 to prospective customers;

104 (2) Any individual offering or disseminating self-
105 service storage insurance shall provide to prospective
106 purchasers brochures or other written materials that:

107 (a) Provide the identity and contact information of
108 the insurer and any third-party administrator or supervising
109 entity authorized to act on behalf of the insurer;

110 (b) Explain that the purchase of self-service storage
111 insurance is not required in order to lease self-storage
112 units;

113 (c) Explain that an unlicensed self-service storage
114 operator is permitted to provide general information about

115 the insurance offered by the self-service storage operator,
116 including a description of the coverage and price, but is
117 not qualified or authorized to answer technical questions
118 about the terms and conditions of the insurance offered by
119 the self-service storage operator or to evaluate the
120 adequacy of the customer's existing insurance coverage; and

121 (d) Disclose that self-service storage insurance may
122 provide duplication of coverage already provided by an
123 occupant's, homeowner's, renter's, or other source of
124 coverage;

125 (3) A limited lines self-service storage producer's
126 employee or authorized representative, who is not licensed
127 as an insurance producer, may not:

128 (a) Evaluate or interpret the technical terms,
129 benefits, and conditions of the offered self-service storage
130 insurance coverage;

131 (b) Evaluate or provide advice concerning a
132 prospective purchaser's existing insurance coverage; or

133 (c) Hold themselves or itself out as a licensed
134 insurer, licensed producer, or insurance expert;

135 (4) If self-service storage insurance is offered to
136 the customer, premium or other charges specifically
137 applicable to self-service storage insurance shall be listed
138 as a separate amount and apart from other charges relating
139 to the lease and/or procurement of a self-service storage
140 unit on all documentation pertinent to the transaction.

141 3. Notwithstanding any other provision of law, a
142 limited lines self-service storage insurance provider whose
143 insurance-related activities, and those of its employees and
144 authorized representatives, are limited to offering and
145 disseminating self-service storage insurance on behalf of
146 and under the direction of a limited lines self-service

147 storage insurance producer meeting the conditions stated in
148 this section is authorized to do so and receive related
149 compensation, upon registration by the limited lines self-
150 service storage insurance producer as described in paragraph
151 (b) of subdivision (1) of subsection 2 of this section.

152 4. Self-service storage insurance may be provided
153 under an individual policy or under a group or master policy.

154 5. Limited lines self-service storage insurance
155 producers, operators, employees and authorized
156 representatives offering and disseminating self-service
157 storage insurance under the limited lines self-service
158 storage insurance producer license shall be subject to the
159 provisions of chapters 374 and 375, except as provided for
160 in this section.

161 6. Limited lines self-service storage insurance
162 producers, operators, employees and authorized
163 representatives may offer and disseminate self-service
164 storage insurance policies in an amount not to exceed **[five]**
165 **fifteen** thousand dollars of coverage per customer per
166 storage unit.

167 7. The director may promulgate rules to effectuate
168 this section. Any rule or portion of a rule, as that term
169 is defined in section 536.010, that is created under the
170 authority delegated in this section shall become effective
171 only if it complies with and is subject to all of the
172 provisions of chapter 536 and, if applicable, section
173 536.028. This section and chapter 536 are nonseverable and
174 if any of the powers vested with the general assembly
175 pursuant to chapter 536 to review, to delay the effective
176 date, or to disapprove and annul a rule are subsequently
177 held unconstitutional, then the grant of rulemaking

178 authority and any rule proposed or adopted after August 28,
179 2016, shall be invalid and void.

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