

2016 Regular Session

HOUSE BILL NO. 798

BY REPRESENTATIVE TALBOT

AN ACT

To enact R.S. 22:1550.1, relative to specialty limited lines licensing to sell property insurance coverage for property that is self-stored in self-storage facilities; to provide for definitions; to provide procedures for issuing a limited license; to provide procedures for revocation of the license; to provide training requirements for licensees; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1550.1 is hereby enacted to read as follows:

§1550.1. Speciality limited lines self-service storage property insurance producer licenses

A. As used in this Section:

(1) "Limited licensee" means a person authorized to sell certain coverages relating to the rental of self-service storage units pursuant to the provisions of this Section.

(2) "Rental agreement" means any written agreement setting forth the terms and conditions governing the use of a storage unit provided by the owner of a self-service storage facility company.

(3) "Renter" or "occupant" means any person obtaining the use of a storage unit from a self-service storage company under the terms of a rental agreement.

(4) "Self-service storage company" means any person in the business of renting storage units to the public.

(5) "Storage unit" means a semi-enclosed or fully enclosed area, room, or space that is primarily intended for the storage of personal property and which shall be accessible by the renter of the unit pursuant to the terms of the rental agreement.

1           B.(1) The commissioner of insurance may issue to a self-service storage  
2           company, or to a franchisee of a self-service storage company, that has complied  
3           with the requirements of this Section a limited license authorizing the licensee,  
4           known as a limited licensee for the purposes of this Section, to act as an agent, with  
5           reference to the kinds of insurance specified in this Section of any insurer authorized  
6           to write such kinds of insurance in this state.

7           (2) A license issued pursuant to this Section shall be subject to the same  
8           license and fee requirements as limited line producers.

9           C. The prerequisites for issuance of a limited license pursuant to this Section  
10          are the filing with the commissioner of insurance both of the following:

11          (1) A written application, signed by an officer of the applicant, for the  
12          limited license on such form or forms, and supplements thereto, and containing such  
13          information as the commissioner of insurance may prescribe.

14          (2) A certificate by the insurer that is to be named in such limited license,  
15          stating that it has satisfied itself that the named applicant is trustworthy and  
16          competent to act as its insurance agent for this limited purpose and that the insurer  
17          will appoint such applicant to act as the agent in reference to the doing of such kind  
18          or kinds of insurance as are permitted by this Section if the limited license applied  
19          for is issued by the commissioner of insurance. The certificate shall be subscribed  
20          by an officer or managing agent of such insurer and affirmed as true under the  
21          penalties of perjury.

22          D. In the event that any provision of this Section is violated by a limited  
23          licensee, the commissioner of insurance may:

24          (1) Revoke or suspend a limited license issued pursuant to this Section in  
25          accordance with the provisions of R.S. 22:1554.

26          (2) After notice and hearing, impose such other penalties, including  
27          suspending the transaction of insurance at specific rental locations where violations  
28          of this Section have occurred, as the commissioner deems to be necessary or  
29          convenient to carry out the purposes of this Section.

1           E. The self-service storage company or franchisee licensed pursuant to  
2           Subsection B of this Section may act as agent for an authorized insurer only in  
3           connection with the rental of storage units and only with respect to the following  
4           kinds of insurance:

5                 (1) Personal effects insurance that provides coverage to renters of storage  
6                 units at the same facility for the loss of, or damage to, personal effects that occurs  
7                 at the same facility during the rental period.

8                 (2) Any other coverage that the commissioner may approve as meaningful  
9                 and appropriate in connection with the rental of storage units.

10           F. No insurance may be issued pursuant to this Section unless all of the  
11           following apply:

12                 (1) The rental period of the rental agreement does not exceed two years.

13                 (2) At every self-service storage location where self-service storage  
14                 agreements are executed, brochures or other written materials are readily available  
15                 to the prospective renter that:

16                         (a) Summarize, clearly and correctly, the material terms of insurance  
17                         coverage, including the identity of the insurer, offered to renters.

18                         (b) Disclose that these policies offered by the self-service storage company  
19                         may provide a duplication of coverage already provided by a renter's homeowners'  
20                         insurance policy, personal liability insurance policy, or other source of coverage.

21                         (c) State that the purchase by the renter of the kinds of insurance specified  
22                         in this Section is not required in order to rent a storage unit.

23                         (d) Describe the process for filing a claim in the event the renter elects to  
24                         purchase coverage and in the event of a claim.

25                         (e) Contain any additional information on the price, benefits, exclusions,  
26                         conditions, or other limitations of such policies as the commissioner of insurance  
27                         may by regulation prescribe.

28                 (3) Evidence of coverage is provided to every renter who elects to purchase  
29                 such coverage.

1           G. Any limited license issued pursuant to this Section shall also authorize  
2           any employee of the licensee who is trained, pursuant to Subsection H of this  
3           Section, to act individually on behalf, and under the supervision, of the licensee with  
4           respect to the kinds of insurance specified in this Section.

5           H. Each self-service storage company or franchisee licensed pursuant to this  
6           Section shall conduct a training program which shall be submitted to the  
7           commissioner for approval prior to use and which shall meet all of the following  
8           minimum standards:

9                   (1) Each trainee shall receive basic instruction about the kinds of insurance  
10                  specified in this Section offered for purchase by prospective renters of storage units.

11                  (2) Each trainee shall be instructed to acknowledge to a prospective renter  
12                  of a storage unit that purchase of any such insurance specified in this Section is not  
13                  required in order for the renter to rent a storage unit.

14                  (3) Each trainee shall be instructed to acknowledge to a prospective renter  
15                  of a storage unit that the renter may have insurance policies that already provide the  
16                  coverage being offered by the self-service storage company pursuant to this Section.

17           I. Limited licensees acting pursuant to and under the authority of this Section  
18           shall comply with all applicable provisions of this Section, except that  
19           notwithstanding any other provision of this Section, or any rule adopted by the  
20           commissioner, a limited licensee pursuant to this Section shall not be required to  
21           treat premiums collected from renters purchasing such insurance when renting  
22           storage units as funds received in a fiduciary capacity, provided that both of the  
23           following apply:

24                   (1) The insurer represented by the limited licensee has consented in writing,  
25                   signed by the insurer's officer, that premiums need not be segregated from funds  
26                   received by the self-service storage company on account of storage unit rental.

27                   (2) The charges for insurance coverage are itemized but not billed to the  
28                   renter separately from the charges for storage units.

29           J. No limited licensee licensed pursuant to this Section shall advertise,  
30           represent, or otherwise hold itself or any of its employees out as licensed insurance

1           ~~agents or brokers. No renter or occupant shall be required to obtain insurance~~  
2           ~~pursuant to this Section as a condition of obtaining a rental agreement for a storage~~  
3           ~~unit. The renter shall be informed that the insurance offered pursuant to this Section~~  
4           ~~is not required as a condition for obtaining a rental agreement for a storage unit.~~

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_