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SENATE BILL 5933

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State of Washington

61st Legislature

2009 Regular Session

By Senators McDermott, Benton, Hobbs, Shin, and Kohl-Welles

Read first time 02/09/09. Referred to Committee on Financial Institutions, Housing & Insurance.

1 AN ACT Relating to self-service storage specialty producers;  
2 amending RCW 48.14.010; adding a new chapter to Title 48 RCW; and  
3 providing an effective date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The definitions in this section apply  
6 throughout this chapter unless the context clearly requires otherwise.

7 (1) "Commissioner" means the insurance commissioner of this state.

8 (2) "Occupant" means a person, or his or her sublessee, successor,  
9 or assign, who is entitled to the use of the storage space at a self-  
10 service storage facility under a rental agreement, to the exclusion of  
11 others.

12 (3) "Owner" means the owner, operator, lessor, or sublessor of a  
13 self-service storage facility. "Owner" does not mean an occupant.

14 (4) "Personal property" means movable property not affixed to land,  
15 and includes, but is not limited to, goods, merchandise, furniture, and  
16 household items.

17 (5) "Self-service storage insurance producer" means any owner of a  
18 facility that is licensed as a specialty lines insurance producer under

1 chapter 48.17 RCW to offer, sell, or solicit self-service storage  
2 insurance under this chapter.

3 (6) "Self-service storage facility" or "facility" means any real  
4 property designed and used for the purpose of renting or leasing  
5 individual storage space to occupants who are to have access to the  
6 space for the purpose of storing and removing personal property on a  
7 self-service basis, but does not include a garage or other storage area  
8 in a private residence.

9 (7) "Self-service storage insurance" is insurance that in  
10 connection with and incidental to the rental of space at a facility  
11 provides coverage to occupants at the facility for the loss of or  
12 damage to stored personal property that occurs at that facility.

13 NEW SECTION. **Sec. 2.** (1) An owner; or officer, director, or  
14 employee of an owner; may not offer, sell, or solicit the purchase of  
15 self-service storage insurance unless that person is licensed under  
16 chapter 48.17 RCW or is in compliance with this chapter.

17 (2) The commissioner may issue a specialty line insurance producer  
18 license to an owner that is in compliance with this chapter authorizing  
19 the owner to act as a self-service storage insurance producer under  
20 this chapter, in connection with and incidental to rental agreements,  
21 on behalf of any insurer authorized to write self-service storage  
22 insurance in this state.

23 NEW SECTION. **Sec. 3.** An owner may apply to be licensed as a self-  
24 service storage insurance producer under, and if in compliance with,  
25 this chapter by filing the following documents with the commissioner:

26 (1) A written application for licensure, signed by the applicant or  
27 by an officer of the applicant, in the form prescribed by the  
28 commissioner that includes a listing of all locations at which the  
29 owner intends to offer, sell, or solicit self-service storage  
30 insurance; and

31 (2)(a) A certificate by the insurer that is to be named in self-  
32 service storage insurance producer license, stating that the insurer:

33 (i) Has satisfied itself that the named applicant is trustworthy  
34 and competent to act as its self-service storage insurance producer,  
35 limited to this purpose;

1 (ii) Has reviewed the employee training and education program  
2 required by section 8(1)(c) of this act and that it satisfies the  
3 statutory requirements; and

4 (iii) Will appoint the applicant to act as its self-service storage  
5 insurance producer to offer, sell, or solicit self-service storage  
6 insurance, if the license for which the applicant is applying is issued  
7 by the commissioner.

8 (b) The certification shall be subscribed by an authorized  
9 representative of the insurer on a form prescribed by the commissioner.

10 NEW SECTION. **Sec. 4.** An owner issued a self-service storage  
11 insurance producer license under this chapter is not subject to the  
12 prelicensure or continuing education requirements in chapter 48.17 RCW.

13 NEW SECTION. **Sec. 5.** (1) A self-service storage insurance  
14 producer license authorizes a self-service storage insurance producer  
15 and its employees to offer and sell to, enroll in, and bill and collect  
16 premiums from occupants for insurance covering the loss of or damage to  
17 personal property stored at a facility on a master, corporate, group,  
18 or individual policy basis.

19 (2) A self-service storage insurance producer is not required to  
20 treat moneys collected from occupants purchasing insurance under this  
21 chapter as funds received in a fiduciary capacity, if:

22 (a) The insurer represented by the self-service storage insurance  
23 producer has consented in writing, signed by an officer of the insurer,  
24 that the premiums need not be segregated from funds received by the  
25 self-service storage insurance producer; and

26 (b) The charges for insurance coverage are itemized and ancillary  
27 to the rental agreement.

28 (3) An owner is not required to be licensed pursuant to this  
29 section merely to display and make available to prospective occupants  
30 brochures and other promotional materials created by or on behalf of an  
31 authorized insurer, provided that either the owner or its employees, or  
32 both, are not paid a commission or other consideration.

33 NEW SECTION. **Sec. 6.** A self-service storage insurance producer  
34 may not solicit insurance under section 2 of this act unless:

1 (1) At every location where occupants are enrolled in self-service  
2 storage insurance programs, written disclosure material regarding the  
3 program is made available to prospective occupants; and

4 (2) All employees who offer and sell to, enroll in, and bill and  
5 collect premiums from occupants for insurance have completed a training  
6 program for employees of the licensed self-service storage insurance  
7 producer as approved by the commissioner.

8 NEW SECTION. **Sec. 7.** The written disclosure material required in  
9 section (6)(1) of this act must:

10 (1) Summarize the material terms of insurance coverage offered to  
11 occupants, including the name, address, telephone number of the  
12 insurer, price, benefits, exclusions, and conditions;

13 (2) Prominently and conspicuously disclose that the policies  
14 offered by the self-service storage insurance producer may provide a  
15 duplication of coverage already provided by an occupant's homeowner's  
16 insurance policy, renter's insurance policy, vehicle insurance policy,  
17 watercraft insurance policy, or other source of property insurance  
18 coverage;

19 (3) State that self-service storage insurance is not required as a  
20 condition of rental;

21 (4) Describe the process for filing a claim;

22 (5) State in writing all costs related to the insurance; and

23 (6) Disclose any other information required by rule by the  
24 commissioner.

25 NEW SECTION. **Sec. 8.** (1) An employee of a self-service storage  
26 insurance producer may be authorized to offer, sell, or solicit self-  
27 service storage insurance under the authority of the self-service  
28 storage insurance producer's license, if all of the following  
29 conditions have been satisfied:

30 (a) The employee is eighteen years of age or older;

31 (b) The employee is a trustworthy person and has not committed any  
32 act set forth in RCW 48.17.530;

33 (c) The employee has completed a training and education program;

34 (d) The self-service storage insurance producer, at the time it  
35 submits its self-service storage insurance producer license  
36 application, also submits a list of the names of all employees to its

1 self-service storage insurance producer license on forms prescribed by  
2 the commissioner. The list shall be updated and submitted to the  
3 commissioner quarterly on a calendar year basis. Each list shall be  
4 retained by the self-service storage insurance producer for a period of  
5 three years from submission; and

6 (e) The self-service storage insurance producer submits to the  
7 commissioner with its initial self-service storage insurance producer  
8 license application, and annually thereafter, a certification  
9 subscribed by an officer of the self-service storage insurance producer  
10 on a form prescribed by the commissioner, stating all of the following:

11 (i) No person other than an employee offers, sells, or solicits  
12 self-service storage insurance on its behalf or while working as an  
13 employee of the self-service storage insurance producer; and

14 (ii) All employees have completed the training and education  
15 program under subsection (4) of this section.

16 (2) A self-service storage insurance producer's employee may only  
17 act on behalf of the self-service storage insurance producer in the  
18 offer, sale, or solicitation of self-service storage insurance. A  
19 self-service storage insurance producer is responsible for, and must  
20 supervise, all actions of its employees related to the offering, sale,  
21 or solicitation of self-service storage insurance. The conduct of an  
22 employee is the same as the conduct of the self-service storage  
23 insurance producer for purposes of this chapter.

24 (3) The manager at each location of a self-service storage  
25 insurance producer, or the direct supervisor of the self-service  
26 storage insurance producer's employees at each location, must be an  
27 employee of that self-service storage insurance producer and is  
28 responsible for the supervision of each additional employee at that  
29 location. Each self-service storage insurance producer shall identify  
30 the employee who is the manager or direct supervisor at each location  
31 in the employee list that it submits under subsection (1)(d) of this  
32 section.

33 (4) Each self-service storage insurance producer shall provide a  
34 training and education program for each employee prior to allowing an  
35 employee to offer, sell, or solicit self-service storage insurance.  
36 Details of the program must be submitted to the commissioner, along  
37 with the license application, for approval prior to use, and

1 resubmitted for approval of any changes prior to use. This training  
2 program shall meet the following minimum standards:

3 (a) Each employee shall receive instruction about the insurance  
4 authorized under this chapter that may be offered for sale to  
5 prospective occupants; and

6 (b) Each employee shall receive training about the requirements and  
7 limitations imposed on self-service storage insurance producer and  
8 employees under this chapter. The training must include specific  
9 instruction that the employee is prohibited by law from making any  
10 statement or engaging in any conduct express or implied, that would  
11 lead a consumer to believe that the:

12 (i) Purchase of self-service storage insurance is required in order  
13 for the occupant to rent a self-service storage unit;

14 (ii) Occupant does not have insurance policies in place that  
15 already provide the coverage being offered by the self-service storage  
16 producer under this chapter; or

17 (iii) Employee is qualified to evaluate the adequacy of the  
18 occupant's existing insurance coverages.

19 (5) The training and education program submitted to the  
20 commissioner is approved if no action is taken within thirty days of  
21 its submission.

22 (6) An employee's authorization to offer, sell, or solicit self-  
23 service storage insurance expires when the employee's employment with  
24 the self-service storage insurance producer is terminated.

25 (7) The self-service storage insurance producer shall retain for a  
26 period of one year from the date of each transaction records which  
27 enable it to identify the name of the employee involved in each rental  
28 transaction when an occupant purchases self-service storage insurance.

29 NEW SECTION. **Sec. 9.** The commissioner may adopt rules necessary  
30 to implement and administer this chapter.

31 **Sec. 10.** RCW 48.14.010 and 2007 c 117 s 37 are each amended to  
32 read as follows:

33 (1) The commissioner shall collect in advance the following fees:

1			
2		(a)	<b>For filing charter documents:</b>
3		(i)	Original charter documents, bylaws
4			or record of organization of
5			insurers, or certified copies thereof,
6			required to be filed . . . . . \$250.00
7		(ii)	Amended charter documents, or
8			certified copy thereof, other than
9			amendments of bylaws . . . . . \$ 10.00
10		(iii)	No additional charge or fee shall be
11			required for filing any of such
12			documents in the office of the
13			secretary of state.
14		(b)	<b>Certificate of authority:</b>
15		(i)	Issuance . . . . . \$ 25.00
16		(ii)	Renewal . . . . . \$ 25.00
17		(c)	<b>Annual statement of insurer, filing . . . . . \$ 20.00</b>
18		(d)	<b>Organization or financing of domestic insurers and</b>
19			<b>affiliated corporations:</b>
20		(i)	Application for solicitation permit,
21			filing . . . . . \$100.00
22		(ii)	Issuance of solicitation permit . . . . . \$ 25.00
23		(e)	<b>Insurance producer licenses:</b>
24		(i)	License application . . . . . \$ 55.00
25		(ii)	License renewal, every two years
26			. . . . . \$ 55.00
27		(iii)	Initial appointment and renewal of
28			appointment of each insurance
29			producer, every two years . . . . . \$ 20.00
30		(iv)	Limited <u>line</u> insurance producer
31			license application and renewal,
32			every two years . . . . . \$ 20.00
33		(f)	<b>Reinsurance intermediary licenses:</b>
34		(i)	Reinsurance intermediary-broker,
35			each year . . . . . \$ 50.00
36		(ii)	Reinsurance intermediary-
			manager, each year . . . . . \$100.00

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2	(g)	<b>Surplus line broker license application</b>	
3		<b>and renewal, every two years . . . . .</b>	\$200.00
4	(h)	<b>Adjusters' licenses:</b>	
5	(i)	Independent adjuster, every two	
6		years . . . . .	\$ 50.00
7	(ii)	Public adjuster, every two	
8		years . . . . .	\$ 50.00
9	(i)	<b>Managing general agent appointment,</b>	
10		<b>every two years . . . . .</b>	\$200.00
11	(j)	<b>Examination for license, each examination:</b>	
12		All examinations, except examinations	
13		administered by an independent	
14		testing service, the fees for which are	
15		to be approved by the commissioner	
16		and collected directly by and retained	
17		by such independent testing service	
18		. . . . .	\$ 20.00
19	(k)	<b>Miscellaneous services:</b>	
20	(i)	Filing other documents . . . . .	\$ 5.00
21	(ii)	Commissioner's certificate under	
22		seal . . . . .	\$ 5.00
23	(iii)	Copy of documents filed in the	
24		commissioner's office, reasonable	
25		charge therefor as determined by	
26		the commissioner.	
27	(l)	<b><u>Self-service storage specialty insurance producer</u></b>	
28		<b><u>license application and renewal:</u></b>	
29		<u>Every two years, \$130.00 for an owner</u>	
30		<u>with under fifty employees or</u>	
31		<u>\$375.00 for an owner with fifty or</u>	
32		<u>more employees; plus a location fee</u>	
33		<u>of \$35.00 for each additional location</u>	
		<u>of an owner.</u>	

34 (2) All fees so collected shall be remitted by the commissioner to  
35 the state treasurer not later than the first business day following,  
36 and shall be placed to the credit of the general fund.



1 (a) Fees for examinations administered by an independent testing  
2 service that are approved by the commissioner under subsection (1)(j)  
3 of this section shall be collected directly by the independent testing  
4 service and retained by it.

5 (b) Fees for copies of documents filed in the commissioner's office  
6 shall be remitted by the commissioner to the state treasurer not later  
7 than the first business day following, and shall be placed to the  
8 credit of the insurance commissioner's regulatory account.

9 NEW SECTION. **Sec. 11.** Sections 1 through 9 of this act constitute  
10 a new chapter in Title 48 RCW.

11 NEW SECTION. **Sec. 12.** This act takes effect July 1, 2010.

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