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**SUBSTITUTE SENATE BILL 5933**

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**State of Washington**

**61st Legislature**

**2009 Regular Session**

**By** Senate Financial Institutions, Housing & Insurance (originally sponsored by Senators McDermott, Benton, Hobbs, Shin, and Kohl-Welles)

READ FIRST TIME 02/25/09.

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, property management company,  
13 lessor, or sublessor of a self-service storage facility. "Owner" does  
14 not mean an occupant.

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

18       (5) "Self-service storage insurance producer" means any owner of a

1 facility that is licensed as a specialty lines insurance producer under  
2 chapter 48.17 RCW to offer, sell, or solicit self-service storage  
3 insurance under this chapter.

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

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

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

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

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

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

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

34 (i) Has satisfied itself that the named applicant is trustworthy  
35 and competent to act as its self-service storage insurance producer,  
36 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 if self-service storage insurance is required as a  
20 condition of rental, the requirement may be satisfied by the occupant  
21 purchasing the insurance being offered to the occupant by the owner or  
22 by presenting evidence of other applicable insurance coverage;

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

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

25 (6) Disclose any other information required by rule by the  
26 commissioner.

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

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

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

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

1 (d) The self-service storage insurance producer, at the time it  
2 submits its self-service storage insurance producer license  
3 application, also submits a list of the names of all employees to its  
4 self-service storage insurance producer license on forms prescribed by  
5 the commissioner. The list shall be submitted to the commissioner  
6 annually and kept current by reporting all changes, deletions, or  
7 additions within thirty days after the end of the month in which the  
8 change, deletion, or addition occurred. Each list shall be retained by  
9 the self-service storage insurance producer for a period of three years  
10 from submission; and

11 (e) The self-service storage insurance producer submits to the  
12 commissioner with its initial self-service storage insurance producer  
13 license application, and annually thereafter, a certification  
14 subscribed by an officer of the self-service storage insurance producer  
15 on a form prescribed by the commissioner, stating all of the following:

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

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

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

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

1 (4) Each self-service storage insurance producer shall provide a  
2 training and education program for each employee prior to allowing an  
3 employee to offer, sell, or solicit self-service storage insurance.  
4 Details of the program must be submitted to the commissioner, along  
5 with the license application, for approval prior to use, and  
6 resubmitted for approval of any changes prior to use. This training  
7 program shall meet the following minimum standards:

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

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

17 (i) Occupant does not have insurance policies in place that already  
18 provide the coverage being offered by the self-service storage producer  
19 under this chapter; or

20 (ii) Employee is qualified to evaluate the adequacy of the  
21 occupant's existing insurance coverages.

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

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

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

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

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

36 (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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