



General Assembly

Raised Bill No. 1037

January Session, 2023

LCO No. 4162



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 Section 38a-1 of the general statutes is repealed and the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, 2023*):

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

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

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

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

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

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

45 specific requirements imposed by the commissioner upon a subject
46 company at the time of admission or subsequent thereto.

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

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

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

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

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

76 (16) "Person" means an individual, a corporation, a partnership, a
77 limited liability company, an association, a joint stock company, a
78 business trust, an unincorporated organization or other legal entity.

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

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

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

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

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

94 Sec. 2. (NEW) (*Effective October 1, 2023*) (a) For the purposes of this
95 section:

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

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

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

104 agreement;

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

107 (5) "Personal property" has the same meaning as provided in section
108 42-159 of the general statutes;

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

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

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

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

126 (b) (1) No owner shall offer or sell self-service storage insurance
127 coverage in this state without first obtaining a self-service storage
128 insurance license from the commissioner pursuant to this section.
129 Notwithstanding the provisions of this subdivision, each owner who
130 offers or sells self-service storage insurance coverage in this state prior
131 to October 1, 2023, may continue to offer or sell such insurance
132 coverage until such owner's initial application for a self-service storage
133 insurance license is approved or denied by the commissioner,

134 provided such owner files such application not later than ninety days
135 after the date on which the commissioner prescribes a form for such
136 application. Each self-service storage insurance license issued by the
137 commissioner pursuant to this section shall be in force until January
138 thirty-first of the next even-numbered year, unless such license is
139 revoked or suspended by the commissioner prior to such date.

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

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

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

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

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

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

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

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

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

178 (B) Each application submitted to the commissioner pursuant to
179 subparagraph (A) of this subdivision shall be accompanied by the fees
180 set forth in section 38a-11 of the general statutes, as amended by this
181 act.

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

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

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

191 (B) Each updated application submitted to the commissioner
192 pursuant to subparagraph (A) of this subdivision shall be accompanied
193 by the applicable fee specified in section 38a-11 of the general statutes,

194 as amended by this act.

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

199 (c) Each owner who offers or sells self-service storage insurance
200 coverage shall make available, at each location where such owner
201 offers or sells such coverage to occupants or prospective occupants in
202 this state, brochures or other written or electronic materials that
203 contain, at a minimum, the following:

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

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

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

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

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

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

220 (7) The terms and conditions of such self-service storage insurance
221 coverage, or a summary of the key terms and conditions of such

222 coverage;

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

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

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

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

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

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

243 (3) Any owner shall not be required to maintain payments collected
244 pursuant to subdivision (2) of this subsection in a segregated account if
245 the insurer that issued the self-service storage insurance coverage, or
246 the supervising person appointed by such insurer, authorizes the
247 owner to commingle such payments. All premium payments collected
248 by any owner pursuant to said subdivision shall be held by the owner
249 in a fiduciary capacity for the benefit of the insurer.

250 (4) Any owner may receive compensation for billing and collection

251 services.

252 (e) (1) Self-service storage insurance coverage shall not be offered or
253 sold in this state unless such insurance coverage is issued by an insurer
254 that is authorized to write such lines of business in this state. Such
255 insurance coverage may be issued as an individual, group, master,
256 corporate or commercial policy. Any insurer authorized to issue self-
257 service storage insurance coverage in this state shall file a copy of the
258 form for such coverage in accordance with subsection (c) of section
259 38a-676 of the general statutes.

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

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

273 (f) The Insurance Commissioner may:

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

281 (2) Suspend or revoke a self-service storage insurance license issued

282 pursuant to this section, and impose a fine in addition to or in lieu of
283 such suspension or revocation in accordance with section 38a-774 of
284 the general statutes. The commissioner may, either in addition to or in
285 lieu of such suspension or revocation, issue a cease and desist order
286 suspending the privilege to offer or sell self-service storage insurance
287 coverage at specific locations or by specific employees or authorized
288 representatives.

289 (g) Notwithstanding any provision of the general statutes, no owner
290 shall be required to undergo any examination, education or continuing
291 education as a condition to receiving or renewing a self-service storage
292 insurance license pursuant to this section.

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

296 Sec. 3. Subsection (a) of section 38a-11 of the general statutes is
297 repealed and the following is substituted in lieu thereof (*Effective*
298 *October 1, 2023*):

299 (a) The commissioner shall demand and receive the following fees:
300 (1) For the annual fee for each license issued to a domestic insurance
301 company, two hundred dollars; (2) for receiving and filing annual
302 reports of domestic insurance companies, fifty dollars; (3) for filing all
303 documents prerequisite to the issuance of a license to an insurance
304 company, two hundred twenty dollars, except that the fee for such
305 filings by any health care center, as defined in section 38a-175, shall be
306 one thousand three hundred fifty dollars; (4) for filing any additional
307 paper required by law, thirty dollars; (5) for each certificate of
308 valuation, organization, reciprocity or compliance, forty dollars; (6) for
309 each certified copy of a license to a company, forty dollars; (7) for each
310 certified copy of a report or certificate of condition of a company to be
311 filed in any other state, forty dollars; (8) for amending a certificate of
312 authority, two hundred dollars; (9) for each license issued to a rating
313 organization, two hundred dollars. In addition, insurance companies

314 shall pay any fees imposed under section 12-211; (10) a filing fee of
315 fifty dollars for each initial application for a license made pursuant to
316 section 38a-769; (11) with respect to insurance agents' appointments:
317 (A) A filing fee of fifty dollars for each request for any agent
318 appointment, except that no filing fee shall be payable for a request for
319 agent appointment by an insurance company domiciled in a state or
320 foreign country which does not require any filing fee for a request for
321 agent appointment for a Connecticut insurance company; (B) a fee of
322 one hundred dollars for each appointment issued to an agent of a
323 domestic insurance company or for each appointment continued; and
324 (C) a fee of eighty dollars for each appointment issued to an agent of
325 any other insurance company or for each appointment continued,
326 except that (i) no fee shall be payable for an appointment issued to an
327 agent of an insurance company domiciled in a state or foreign country
328 which does not require any fee for an appointment issued to an agent
329 of a Connecticut insurance company, and (ii) the fee shall be twenty
330 dollars for each appointment issued or continued to an agent of an
331 insurance company domiciled in a state or foreign country with a
332 premium tax rate below Connecticut's premium tax rate; (12) with
333 respect to insurance producers: (A) An examination fee of fifteen
334 dollars for each examination taken, except when a testing service is
335 used, the testing service shall pay a fee of fifteen dollars to the
336 commissioner for each examination taken by an applicant; (B) a fee of
337 eighty dollars for each license issued; (C) a fee of eighty dollars per
338 year, or any portion thereof, for each license renewed; and (D) a fee of
339 eighty dollars for any license renewed under the transitional process
340 established in section 38a-784; (13) with respect to public adjusters: (A)
341 An examination fee of fifteen dollars for each examination taken,
342 except when a testing service is used, the testing service shall pay a fee
343 of fifteen dollars to the commissioner for each examination taken by an
344 applicant; and (B) a fee of two hundred fifty dollars for each license
345 issued or renewed; (14) with respect to casualty claims adjusters: (A)
346 An examination fee of twenty dollars for each examination taken,
347 except when a testing service is used, the testing service shall pay a fee
348 of twenty dollars to the commissioner for each examination taken by

349 an applicant; (B) a fee of eighty dollars for each license issued or
350 renewed; and (C) the expense of any examination administered
351 outside the state shall be the responsibility of the entity making the
352 request and such entity shall pay to the commissioner two hundred
353 dollars for such examination and the actual traveling expenses of the
354 examination administrator to administer such examination; (15) with
355 respect to motor vehicle physical damage appraisers: (A) An
356 examination fee of eighty dollars for each examination taken, except
357 when a testing service is used, the testing service shall pay a fee of
358 eighty dollars to the commissioner for each examination taken by an
359 applicant; (B) a fee of eighty dollars for each license issued or renewed;
360 and (C) the expense of any examination administered outside the state
361 shall be the responsibility of the entity making the request and such
362 entity shall pay to the commissioner two hundred dollars for such
363 examination and the actual traveling expenses of the examination
364 administrator to administer such examination; (16) with respect to
365 certified insurance consultants: (A) An examination fee of twenty-six
366 dollars for each examination taken, except when a testing service is
367 used, the testing service shall pay a fee of twenty-six dollars to the
368 commissioner for each examination taken by an applicant; (B) a fee of
369 two hundred fifty dollars for each license issued; and (C) a fee of two
370 hundred fifty dollars for each license renewed; (17) with respect to
371 surplus lines brokers: (A) An examination fee of twenty dollars for
372 each examination taken, except when a testing service is used, the
373 testing service shall pay a fee of twenty dollars to the commissioner for
374 each examination taken by an applicant; and (B) a fee of six hundred
375 twenty-five dollars for each license issued or renewed; (18) with
376 respect to fraternal agents, a fee of eighty dollars for each license
377 issued or renewed; (19) a fee of twenty-six dollars for each license
378 certificate requested, whether or not a license has been issued; (20)
379 with respect to domestic and foreign benefit societies shall pay: (A) For
380 service of process, fifty dollars for each person or insurer to be served;
381 (B) for filing a certified copy of its charter or articles of association,
382 fifteen dollars; (C) for filing an annual statement or report, twenty
383 dollars; and (D) for filing any additional paper required by law, fifteen

384 dollars; (21) with respect to foreign benefit societies: (A) For each
385 certificate of organization or compliance, fifteen dollars; (B) for each
386 certified copy of permit, fifteen dollars; and (C) for each copy of a
387 report or certificate of condition of a society to be filed in any other
388 state, fifteen dollars; (22) with respect to reinsurance intermediaries, a
389 fee of six hundred twenty-five dollars for each license issued or
390 renewed; (23) with respect to life settlement providers: (A) A filing fee
391 of twenty-six dollars for each initial application for a license made
392 pursuant to section 38a-465a; and (B) a fee of forty dollars for each
393 license issued or renewed; (24) with respect to life settlement brokers:
394 (A) A filing fee of twenty-six dollars for each initial application for a
395 license made pursuant to section 38a-465a; and (B) a fee of forty dollars
396 for each license issued or renewed; (25) with respect to preferred
397 provider networks, a fee of two thousand seven hundred fifty dollars
398 for each license issued or renewed; (26) with respect to rental
399 companies, as defined in section 38a-799, a fee of eighty dollars for
400 each permit issued or renewed; (27) with respect to medical discount
401 plan organizations licensed under section 38a-479rr, a fee of six
402 hundred twenty-five dollars for each license issued or renewed; (28)
403 with respect to pharmacy benefits managers, an application fee of one
404 hundred dollars for each registration issued or renewed; (29) with
405 respect to captive insurance companies, as defined in section 38a-91aa,
406 a fee of three hundred seventy-five dollars for each license issued or
407 renewed; (30) with respect to each duplicate license issued a fee of fifty
408 dollars for each license issued; (31) with respect to surety bail bond
409 agents, as defined in section 38a-660, (A) a filing fee of one hundred
410 fifty dollars for each initial application for a license, and (B) a fee of one
411 hundred dollars for each license issued or renewed; (32) with respect
412 to third-party administrators, as defined in section 38a-720, (A) a fee of
413 five hundred dollars for each license issued, and (B) a fee of four
414 hundred fifty dollars for each license renewed; (33) with respect to
415 portable electronics insurance licenses under section 38a-397, (A) a
416 filing fee of one hundred dollars for each initial application for a
417 license, (B) a fee of five hundred dollars for each license issued, and (C)
418 a fee of four hundred fifty dollars for each license renewed; [and] (34)

419 with respect to limited lines travel insurance producer licenses under
420 section 38a-398, (A) a filing fee of one hundred dollars for each initial
421 application for a license, (B) a fee of six hundred fifty dollars for each
422 license issued, and (C) a fee of six hundred fifty dollars for each license
423 renewed; and (35) with respect to self-service storage insurance
424 licenses under section 2 of this act, (A) a filing fee of one hundred
425 dollars for each initial application for a license, (B) a fee of five
426 hundred dollars for each license issued, and (C) a fee of four hundred
427 fifty dollars for each license renewed.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2023	38a-1
Sec. 2	October 1, 2023	New section
Sec. 3	October 1, 2023	38a-11(a)

INS *Joint Favorable*