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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

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A N A C T

RELATING TO INSURANCE – SELF-SERVICE STORAGE INSURANCE

Introduced By: Senator Roger Picard

Date Introduced: February 15, 2022

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 27 of the General Laws entitled "INSURANCE" is hereby amended by  
2 adding thereto the following chapter:

3 CHAPTER 27-2.8

4 SELF-SERVICE STORAGE INSURANCE

5 **27-2.8-1. Definitions.**

6 For purposes of this chapter, the following terms shall have the following meanings:

7 (1) "Commissioner" means the definition prescribed by § 42-14-5;

8 (2) "Location" means any physical location in the State of Rhode Island or any website,  
9 call center site or similar location directed to residents of the State of Rhode Island;

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

13 (4) "Owner" means a person or business entity, whether a resident or non-resident of this  
14 state, that is the proprietor, operator, lessor, or sublessor of a self-service storage facility, an agent  
15 of any of the foregoing, or any other person or business entity authorized to manage the facility or  
16 to receive rent from an occupant under a rental agreement.

17 (5) "Personal property" means movable property not affixed to land.

18 (6) "Rental agreement" means any written agreement or lease that establishes or modifies  
19 the terms, conditions, rules, or any other provisions concerning the use and occupancy of storage

1 space at a self-service storage facility.

2 (7) "Self-service storage facility" means any real property designed and used for the  
3 purpose of renting or leasing individual storage space to occupants who are to have access to the  
4 space for the purpose of storing and removing personal property.

5 (8) "Self-service storage insurance" means personal property insurance offered in  
6 connection with and incidental to the rental of storage space at a self-service storage facility and  
7 which provides coverage to occupants for the loss of or damage to personal property occurring at  
8 the facility or when the property is in transit to or from the facility during the period of the rental  
9 agreement.

10 (9) "Supervising entity" means a business entity that is a licensed insurer or insurance  
11 producer that is authorized by an insurer to supervise the administration of a self-service storage  
12 insurance program.

13 **27-2.8-2. Licensure exemption for owners.**

14 (a) An owner and its authorized representatives and employees may sell, solicit, and offer  
15 self-service storage insurance coverage without obtaining an insurance producer license pursuant  
16 to the requirements set forth in §§ 27-2.8-3 and 27-2.8-4.

17 (b) The supervising entity shall maintain a registry of owner locations at which self-service  
18 storage insurance is sold, solicited, or offered in this state. Upon request by the commissioner and  
19 with ten (10) days notice to the supervising entity, the registry shall be open to inspection and  
20 examination by the commissioner during regular business hours of the supervising entity.

21 **27-2.8-3. Requirements for sale of self-service storage insurance.**

22 (a) At every location where self-service storage insurance is offered to occupants,  
23 brochures or other written or electronic materials must be made available which:

24 (1) Disclose that self-service storage insurance may provide a duplication of coverage  
25 already provided by a homeowner's insurance policy, renter's insurance policy or other source of  
26 coverage;

27 (2) State that the enrollment in the self-service storage insurance program offered by the  
28 owner is not required in order to lease storage space at the self-service storage facility;

29 (3) Provide the actual terms of the insurance coverage, or summarize the material terms of  
30 the insurance coverage, including:

31 (i) The identity of the insurer;

32 (ii) The identity of the supervising entity;

33 (iii) The amount of any applicable deductible and how it is to be paid;

34 (iv) Benefits of the coverage; and

1 (v) Key terms and conditions of coverage.  
2 (4) Summarize the process for filing a claim; and  
3 (5) State that an occupant may cancel enrollment for self-service storage insurance  
4 coverage at any time and the person paying the premium shall receive a refund of any applicable  
5 unearned premium.

6 (b) Self-service storage insurance may be provided under a commercial, corporate, group,  
7 or master policy.

8 **27-2.8-4. Authority of owners.**

9 (a) The employees and authorized representatives of owners may sell, solicit, and offer  
10 self-service storage insurance and shall not be subject to licensure as an insurance producer under  
11 this title; provided that:

12 (1) The insurer issuing the self-service storage insurance either directly supervises or  
13 appoints a supervising entity to supervise the administration of the program including development  
14 and implementation of a training program for employees and authorized representatives of the  
15 owners who are directly engaged in the activity of selling, soliciting, or offering self-service storage  
16 insurance. The training required by this subdivision shall comply with the following:

17 (i) The training shall be delivered to employees and authorized representatives of owners  
18 who are directly engaged in the activity of selling, soliciting, or offering self-service storage  
19 insurance;

20 (ii) The training may be provided in electronic form. The supervising entity shall  
21 implement a system to monitor whether the electronic training has been taken by all relevant  
22 employees; and

23 (iii) Each employee and authorized representative shall receive basic instruction about the  
24 self-service storage insurance offered and the disclosures required under § 27-2.8-3(a).

25 (2) No employee or authorized representative of an owner shall advertise, represent or  
26 otherwise hold himself or herself out as a licensed insurance producer, unless so licensed.

27 (b) Notwithstanding any other provision of law, employees or authorized representatives  
28 of an owner shall not be compensated based primarily on the number of occupants enrolled for self-  
29 service storage insurance coverage but may receive compensation for self-service storage insurance  
30 which is incidental to their overall compensation.

31 (c) The charges for self-service storage insurance coverage may be billed and collected by  
32 the owner. Any charge for the self-service storage insurance coverage that is not included in the  
33 cost associated with the lease of storage space at the self-service storage facility shall be separately  
34 itemized on the occupant's bill. If the self-service storage insurance coverage is included in the cost

1 associated with the lease of storage space at the self-service storage facility, the owner shall clearly  
2 and conspicuously disclose to the occupant that the self-service storage insurance coverage is  
3 included in the cost associated with the lease of storage space at the self-service storage facility.  
4 Owners billing and collecting such charges shall not be required to maintain such funds in a  
5 segregated account; provided that, the owner is authorized by the insurer or supervising entity to  
6 hold such funds in an alternative manner and remits the premiums to the insurer or supervising  
7 entity within sixty (60) days of receipt. All premiums received by an owner from an occupant for  
8 the sale of self-service storage insurance shall be considered funds held by the owner in a fiduciary  
9 capacity for the benefit of the insurer. Owners may receive compensation for billing and collection  
10 services.

11 **27-2.8-5. Penalties.**

12 If an owner or its employee or authorized representative violates any provision of this  
13 chapter, the commissioner, after notice and opportunity for a hearing, may impose any penalty as  
14 appropriate pursuant to § 42-14-16.

15 SECTION 2. This act shall take effect on January 1, 2023.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T  
RELATING TO INSURANCE – SELF-SERVICE STORAGE INSURANCE

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1           This act would allow for the sale of self-service storage insurance and declare that the sale,  
2 solicitation or offer of self-service storage insurance, as defined, does not require an insurance  
3 producer license.

4           This act would take effect on January 1, 2023.

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