

LICENSE REQUIREMENTS: SELF-SERVICE STORAGE AGENT

Chapter 401 of the Acts of 2016 (the “Act”) authorizes the Commissioner to issue a Self-Service Storage Agent License to Self-Service Storage facility operators allowing them to sell insurance in connection with and incidental to the rental of space at a self-service storage facility. The Act can be found in Massachusetts General Laws Chapter 175, §228.

Insurance offered by a licensed Self-Service Storage Agent may be offered on a master, corporate, commercial, group or individual policy basis and provide coverage to occupants at the self-service storage facility where the insurance is transacted for the loss of or damage to stored personal property that occurs at the covered facility.

LICENSE REQUIREMENTS

A Self-Service Storage Agent License is valid for a **2-year period** and no examination is required for licensure. A Self-Service Storage Agent License allows the licensee’s employees and authorized representatives, who must be at least 18 years of age, to sell or offer to sell insurance under the license without being individually licensed.

The Self-Service Storage Agent License is a limited line license which authorizes the licensee to sell or offer to sell insurance only in connection with and incidental to the rental of space at a self-service storage facility. A Self-Service Storage Agent may not advertise, represent or otherwise portray itself or any of its employees or authorized representatives as licensed insurers or insurance producers.

A Self-Service Storage Agent is not subject to the continuing education requirement applicable to insurance producers. But, the Self-Service Storage Agent must provide a training program that gives basic instruction about the self-service storage insurance coverage to employees and authorized representatives of the licensee who will be engaged in selling or offering to sell insurance under the license.

APPLYING FOR A LICENSE

An applicant for a Self-Service Storage Agent License must be at least 18 years of age and shall submit:

1. A complete Self-Service Storage Agent License application;
 - I. The application must provide the physical address of the applicant’s company headquarters and a list of all self-service storage facilities where the Self-Service Storage Agent, employees or authorized representatives will conduct business under the license.

- II. The Self-Service Storage Agent must notify the Commissioner not less than 15 days prior to commencing business under the Self-Service Storage Agent's license of any self-service storage facility locations not included on the application or if a location ceases to conduct business under the license.
 - III. A Self-Service Storage Agent is not be required to have a separate license for each self-service storage facility or other place where business is transacted.
2. LICENSE FEE: The fee for the initial license and each subsequent renewal is **\$100.00 for each self-service storage facility location** operated by the applicant in Massachusetts. Checks are to be made payable to the Commonwealth of Massachusetts.
 3. Massachusetts-domiciled corporate applicants (corporations, LLCs) must be registered with the Massachusetts Secretary of State and must submit a current Certificate of Good Standing with the initial application.
 4. Non-resident corporate applicants must be registered with the Massachusetts Secretary of State and authorized to transact business in the Commonwealth. Non-residents applicants must submit a Certificate of Good Standing from the Massachusetts Secretary of State with the initial application.

In addition, the applicant must provide the following with the application:

1. A list of self-service storage facilities where the licensee intends to offer self-service storage insurance; and,
2. A copy of the certificate, endorsement or other evidence setting forth the terms and conditions of the self-service storage insurance policy provided to enrolled customers; and,
3. A copy of brochures or other written materials, as approved by the Commissioner, describing the coverage that will be made available to occupants of the self-service storage facility; and,
4. A list all employees and authorized representatives who will engage in offering and selling self-service storage insurance under the license; and,
5. A description of the training program, including a copy of the training materials, given to employees and authorized representatives who will engage in offering and selling self-service storage insurance under the license.

CONSUMER DISCLOSURE REQUIREMENTS

A Self-Service Storage Agent may not sell or offer to sell insurance in connection with the rental of space at a self-service storage facility unless the Self-Service

Storage Agent makes readily available to prospective occupants brochures or other written material that has been reviewed and approved by the Commissioner. Such materials must:

1. summarize the material terms of insurance coverage offered to occupants, including the identity of the insurer, the amount of any applicable deductible, the benefits of the coverage, and any exclusions and conditions;
2. disclose that the policies offered by the Self-Service Storage Agent may provide a duplication of coverage already provided by an occupant's homeowner's insurance policy, renter's insurance policy, motor vehicle insurance policy, watercraft insurance policy or other source of property insurance coverage;
3. state that if insurance is required as a condition of rental, the requirement may be satisfied by the occupant purchasing the insurance prescribed in this section or by presenting evidence of other applicable insurance coverage;
4. describe the process for filing a claim, including any appeal process for a denial;
5. state that an enrolled customer may cancel enrollment for coverage under a self-service storage insurance policy at any time and the person paying the premium shall receive a refund or credit of any applicable unearned premium;
6. state in writing all costs and charges related to the insurance;
7. require evidence of coverage or a voluntary declination of coverage, in a form approved by the insurer, is provided to each occupant to whom coverage is offered; provided, however, that if insurance is required as a condition of rental, the requirement of evidence of a voluntary declination of coverage shall not apply; and
8. the insurance is provided by an insurer authorized to provide the applicable kind of insurance in the Commonwealth.

COLLECTION OF PREMIUM BY SELF-SERVICE STORAGE AGENTS

The charges for insurance coverage may be billed and collected by the Self-Service Storage Agent. Any charges to an enrolled occupant for insurance coverage that is not included in the cost associated with the rental of space at a self-service storage facility must be separately itemized on the occupant's bill. If insurance coverage is included with the rental of space at a self-service storage facility, the Self-Service Storage Agent must clearly and conspicuously disclose to the occupant that the coverage is included with the rental. Self-Service Storage Agents billing and collecting insurance charges shall not be required to maintain the funds in a segregated account provided the agent is authorized by the insurer to hold the funds in an alternative manner and remits those funds to the insurer within 60 days of

receipt. All funds received by a self-service storage facility from an occupant for insurance coverage are considered funds held in trust by the Self-Service Storage Agent in a fiduciary capacity for the benefit of the insurer.

SANCTIONS

The provisions of Chapter 176D (Unfair Practices in Business of Insurance) shall apply to a licensed Self-Service Storage Agent and any of the licensee's employees and authorized representatives that are engaged in the offer or sale of insurance in connection with and incidental to the rental of space at a self-service storage facility. If a Self-Service Storage Agent or its employee or authorized representative violates any provision of the Act, the Commissioner may, after notice and hearing, impose fines and other penalties including (1) suspending the privilege of transacting self-service storage insurance business at specific locations where such violations have occurred; and (2) suspending or revoking the right of individual employees or authorized representatives to act under the license.