

**Senate Study Bill 3063 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE  
ON COMMERCE BILL BY  
CHAIRPERSON DAWSON)

**A BILL FOR**

1 An Act relating to self-service storage insurance, and  
2 including applicability provisions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 522F.1 Definitions.

2 As used in this chapter, unless the context otherwise  
3 requires:

4 1. "*Commissioner*" means the commissioner of insurance.

5 2. "*Endorsee*" means an employee or an authorized  
6 representative of an owner authorized to sell or offer  
7 self-service storage insurance at one or more of the owner's  
8 locations.

9 3. "*Financial institution*" means any bank, savings and loan  
10 association, credit union, or other entity subject to Title  
11 XIII, subtitle 2.

12 4. "*Insurance producer*" means the same as defined in section  
13 522B.1.

14 5. "*Insurer*" means the same as defined in section 522B.1.

15 6. "*License*" means the same as defined in section 522B.1.

16 7. "*Limited lines producer*" means the same as defined in  
17 section 522B.1.

18 8. "*Location*" means any physical location in this state, or  
19 any internet site, call center site, or other location at which  
20 an owner engages in transactions related to a self-service  
21 storage facility located in this state.

22 9. "*Occupant*" means a person, or the person's successors or  
23 assigns, entitled to the use of space at a self-service storage  
24 facility under a rental agreement.

25 10. "*Owner*" means the owner, operator, property management  
26 company, lessor, or sublessor of a self-service storage  
27 facility. "*Owner*" does not mean an occupant.

28 11. "*Person*" means the same as defined in section 522B.1.

29 12. "*Personal property*" means movable property not affixed  
30 to land, including goods, wares, merchandise, household items,  
31 and furnishings.

32 13. "*Rental agreement*" means any written agreement that  
33 establishes or modifies the terms or conditions concerning an  
34 occupant's use of space at a self-service storage facility.

35 14. "*Self-service storage facility*" or "*facility*" means

1 any real property used for the purpose of renting or leasing  
2 individual storage space to occupants who have access to the  
3 space for the purpose of storing personal property, but does  
4 not include a garage used primarily for storage of motor  
5 vehicles, or a repository at a financial institution used by  
6 the financial institution's customers for storage of money or  
7 valuables. If an owner issues a warehouse receipt, bill of  
8 lading, or other document of title for an occupant's personal  
9 property stored at the facility, the owner and the occupant are  
10 subject to chapter 554, article 7, and this chapter shall not  
11 apply.

12 15. "*Self-service storage insurance*" means insurance  
13 providing coverage for the loss of, or damage to, personal  
14 property that is contained in a storage space at a facility, or  
15 is in transit to or from the storage space, during the term of a  
16 rental agreement covering an occupant's use of storage space at  
17 the facility.

18 16. "*Sell*" means the same as defined in section 522B.1.

19 17. "*Solicit*" means the same as defined in section 522B.1.

20 18. "*Supervising entity*" means a person licensed as an  
21 insurance producer under chapter 522B who is appointed by an  
22 insurer to supervise the administration of self-service storage  
23 insurance at an owner's locations.

24 Sec. 2. NEW SECTION. 522F.2 License required.

25 1. Except as provided in subsection 2, an owner or endorsee  
26 shall not sell or solicit self-service storage insurance  
27 unless the owner is licensed pursuant to chapter 522B as a  
28 self-service storage insurance limited lines producer and the  
29 sale or solicitation of self-service storage insurance is in  
30 conjunction with and incidental to the rental of self-service  
31 storage to an occupant.

32 2. A license shall not be required for an owner or an  
33 endorsee, on behalf of an insurer, to display and provide  
34 promotional information regarding self-service storage  
35 insurance to occupants and prospective occupants.

1     3. Any owner or endorsee that has solicited or sold  
2 self-service storage insurance before July 1, 2020, shall  
3 obtain a self-service storage insurance limited lines producer  
4 license on or before October 1, 2020, or shall be prohibited  
5 from continuing to solicit or sell self-service storage  
6 insurance. Any owner or endorsee that begins to solicit or  
7 sell self-service storage insurance on or after July 1, 2020,  
8 shall obtain a self-service storage limited lines insurance  
9 producer license prior to soliciting or selling self-service  
10 storage insurance.

11     Sec. 3. NEW SECTION.   **522F.3 Application for license —**  
12 **requirements.**

13     1. The commissioner shall issue a self-service storage  
14 insurance limited lines producer license to an owner pursuant  
15 to section 522B.6 if the owner satisfies the requirements of  
16 section 522B.5 and as part of the application for the license  
17 the owner provides all of the following information:

18     *a.* The physical address of the home office of the owner's  
19 facility and the physical address and internet sites of all  
20 locations.

21     *b.* If less than fifty percent of the facility's revenue  
22 is derived from the sale of self-service storage insurance,  
23 the owner shall provide the name, residential address, and  
24 any other information required by the commissioner for one  
25 employee or one officer of the facility, or for one employee of  
26 a supervising entity, designated as the person responsible for  
27 the owner's compliance with the requirements of this chapter.

28     *c.* If fifty percent or more of the facility's revenue is  
29 derived from the sale of self-service storage insurance, the  
30 owner shall provide the residential address and any other  
31 information required by the commissioner for all officers,  
32 directors, and shareholders of record that have ten percent or  
33 more beneficial ownership of the facility.

34     2. An owner applying for a self-service storage limited  
35 lines producer license shall be exempt from the examination

1 requirements pursuant to section 522B.4 and section 522B.5,  
2 subsection 1, paragraph "d".

3 3. An owner applying to renew a self-service storage limited  
4 lines producer license shall be exempt from the continuing  
5 education requirements pursuant to section 522B.6, subsection  
6 3.

7 **Sec. 4. NEW SECTION. 522F.4 Endorsees — conditions and**  
8 **limitations.**

9 1. An owner licensed pursuant to section 522F.3 may  
10 authorize an endorsee to solicit or sell self-service storage  
11 insurance to occupants and prospective occupants at any  
12 location.

13 2. An endorsee shall not be required to be licensed as an  
14 insurance producer if all of the following requirements are  
15 met:

16 a. The endorsee is eighteen years of age or older.

17 b. The insurer issuing the self-service storage insurance  
18 either directly supervises, or appoints a supervising entity  
19 to supervise, the administration of the self-service storage  
20 insurance, including the development and implementation of a  
21 training program for endorsees pursuant to subsection 3.

22 c. The owner has filed an affidavit with the commissioner,  
23 in the form and manner required by the commissioner,  
24 acknowledging that the owner is legally responsible for the  
25 actions of all endorsees relating to an endorsee's solicitation  
26 or sale of self-service storage insurance in conjunction with  
27 and incidental to the rental of storage space to an occupant at  
28 any location.

29 3. An owner, or the supervising entity, shall provide  
30 a training program for all endorsees who solicit or sell  
31 self-service storage insurance. The training program shall  
32 meet all of the following requirements:

33 a. The training shall be delivered to each endorsee  
34 who sells or offers self-service storage insurance at any  
35 location. The owner, or the supervising entity, shall maintain

1 documentation evidencing that each endorsee has completed the  
2 training. The documentation and all training materials shall  
3 be made available to the commissioner within five business days  
4 of the commissioner's request to review the documentation or  
5 the training materials.

6 *b.* If the training is conducted in an electronic form, the  
7 supervising entity shall implement a supplemental education  
8 program regarding self-service storage insurance that is  
9 conducted and overseen by an employee of the supervising entity  
10 who is licensed as an insurance producer pursuant to chapter  
11 522B.

12 *c.* The training program shall include basic information  
13 about self-service storage insurance and shall address all of  
14 the following:

15 (1) No endorsee shall advertise or otherwise represent the  
16 endorsee as a licensed insurance producer unless the endorsee  
17 holds a license.

18 (2) No endorsee shall solicit or sell self-service storage  
19 insurance except in conjunction with and incidental to the  
20 rental of storage space to an occupant at a location.

21 4. An endorsee shall not be paid directly by an insurer,  
22 and an owner shall not pay an endorsee commission or compensate  
23 an endorsee based primarily on the number of occupants the  
24 endorsee enrolls for self-storage insurance. An owner  
25 may, however, include an endorsee's performance related  
26 to soliciting or selling self-service storage insurance to  
27 occupants and prospective occupants in an overall performance  
28 incentive compensation program the owner offers for all  
29 endorsees.

30 **Sec. 5. NEW SECTION. 522F.5 Registry of locations.**

31 The owner, or the supervising entity, shall maintain a  
32 registry of all locations and of all endorsees at each location  
33 that are authorized to sell or solicit self-service storage  
34 insurance. The owner, or the supervising entity, shall make  
35 the registry available to the commissioner within five business

1 days of the commissioner's request for the registry.

2 Sec. 6. NEW SECTION. 522F.6 Required documents and  
3 disclosures.

4 1. At any location where self-service storage insurance  
5 is offered to occupants or prospective occupants, written or  
6 electronic documents shall be available to the occupants or  
7 prospective occupants and must include all of the following:

8 a. A summary of the material terms of the self-service  
9 storage insurance coverage, including all of the following:

10 (1) The identity of the insurer.

11 (2) The identity of the supervising entity, if applicable.

12 (3) All benefits provided by the coverage.

13 (4) The key terms and conditions of the coverage, including  
14 all exclusions.

15 (5) The amount of any deductibles and the process for paying  
16 a deductible.

17 b. A summary of the claims process.

18 c. A disclosure specifying that self-service storage  
19 insurance may be a duplication of coverage already provided by  
20 an occupant's or prospective occupant's homeowner's insurance  
21 policy, renter's insurance policy, or other source of insurance  
22 coverage.

23 d. A disclosure specifying that self-service storage  
24 insurance is not required as a condition of obtaining a rental  
25 agreement.

26 e. Any other disclosures specified by rule as adopted by the  
27 commissioner.

28 2. The written or electronic documents provided pursuant to  
29 subsection 1 shall not be subject to filing with, or be subject  
30 to the approval of, the commissioner.

31 Sec. 7. NEW SECTION. 522F.7 Authority conveyed by license.

32 1. All charges for self-service storage insurance on a  
33 master, corporate, group, or individual policy basis may be  
34 billed and collected by an owner or an endorsee, and the owner  
35 may receive compensation for performing billing and collection

1 services if all of the following conditions are met:

2     *a.* If any charges for self-service storage insurance are  
3 not included in the costs associated with an occupant's rental  
4 of self-service storage space, the owner shall itemize the  
5 charges for the self-service storage insurance separately on  
6 the occupant's bill.

7     *b.* If any charges for self-service storage insurance are  
8 included in the costs associated with an occupant's rental  
9 of self-service storage space, the owner shall clearly and  
10 conspicuously disclose that information to the occupant in  
11 writing.

12     2. All moneys received by an owner or endorsee from an  
13 occupant for self-service storage insurance shall be considered  
14 funds held in trust by the owner in a fiduciary capacity for  
15 the benefit of the insurer that issues the self-service storage  
16 insurance. An owner that bills and collects such moneys shall  
17 not be required to maintain the moneys in a segregated account  
18 if any of the following apply:

19     *a.* The owner is authorized by the insurer to hold the funds  
20 in an alternate manner.

21     *b.* The owner remits the funds to the supervising entity as  
22 required by the supervising entity.

23     Sec. 8. NEW SECTION. **522F.8 License suspension, revocation,**  
24 **denial, nonrenewal.**

25     The commissioner may suspend, revoke, or refuse to issue or  
26 renew an owner's limited lines self-service storage insurance  
27 producer license pursuant to section 522B.11.

28     Sec. 9. NEW SECTION. **522F.9 Rules.**

29     The commissioner shall adopt rules pursuant to chapter 17A  
30 as necessary to implement and administer this chapter.

31     Sec. 10. NEW SECTION. **522F.10 Enforcement.**

32     The commissioner may take any action within the  
33 commissioner's authority to enforce compliance with this  
34 chapter.

35     Sec. 11. **APPLICABILITY.** This Act applies to self-service



1 storage insurance that is delivered, issued for delivery,  
2 continued, or renewed in this state on or after July 1, 2020.

3 EXPLANATION

4 The inclusion of this explanation does not constitute agreement with  
5 the explanation's substance by the members of the general assembly.

6 This bill relates to self-service storage insurance. The  
7 bill prohibits an owner or endorsee from soliciting or selling  
8 self-service storage insurance (insurance) unless the owner  
9 is licensed as a self-service storage insurance limited lines  
10 producer (limited lines producer) and the solicitation or sale  
11 of the insurance is in conjunction with or incidental to an  
12 occupant's rental of storage space at a self-service storage  
13 facility (facility). "Self-service storage insurance" is  
14 defined in the bill as insurance providing coverage for the  
15 loss of, or damage to, personal property that is contained in  
16 a storage space at a facility, or is in transit to or from the  
17 storage space, during the term of a rental agreement covering  
18 an occupant's use of storage space at the facility. A license  
19 is not required for an owner to display promotional information  
20 regarding insurance to occupants and prospective occupants.  
21 "Owner", "endorsee", "self-service storage facility",  
22 "occupant", "personal property", and "rental agreement" are  
23 also defined in the bill.

24 An owner or endorsee that has solicited or sold insurance  
25 before July 1, 2020, must obtain a limited lines producer  
26 license on or before October 1, 2020, to continue to solicit or  
27 sell insurance. Any owner or endorsee that begins to solicit  
28 or sell insurance on or after July 1, 2020, must obtain a  
29 limited lines producer license prior to soliciting or selling  
30 insurance. The application and licensing requirements for  
31 an owner to obtain a limited lines producer license, and the  
32 conditions and limitations imposed on endorsees, are contained  
33 in the bill.

34 At any location where insurance is offered to occupants or  
35 prospective occupants, written or electronic documents must

1 be available to the occupants or prospective occupants and  
2 must include a summary of the material terms of the insurance  
3 coverage as outlined in the bill. The documents are not  
4 subject to filing with, or requiring the approval of, the  
5 commissioner. The bill defines "location" as any physical  
6 location in this state, or any internet site, call center site,  
7 or other location at which an owner engages in transactions  
8 related to a facility located in this state.

9 An endorsee cannot be paid directly by an insurer, and  
10 an owner cannot pay an endorsee commission, or compensate  
11 an endorsee based primarily on the number of occupants the  
12 endorsee enrolls for insurance. An owner may, however, include  
13 an endorsee's performance related to soliciting or selling  
14 insurance to occupants in an overall performance incentive  
15 compensation program the owner offers all endorsees.

16 The bill allows all charges for insurance on a master,  
17 corporate, group, or individual basis to be billed and  
18 collected by the owner or an endorsee. The owner may receive  
19 compensation for performing billing and collection services if  
20 the owner itemizes the charges for the insurance separately on  
21 an occupant's bill if any charges for the insurance are not  
22 included in the costs associated with the occupant's rental of  
23 storage space; or the owner clearly and conspicuously discloses  
24 to the occupant that the charges for insurance are included  
25 with the storage space rental.

26 All funds received by an owner from an occupant for insurance  
27 must be considered funds held in trust by the owner in a  
28 fiduciary capacity for the benefit of the insurer that issues  
29 the insurance. An owner that bills and collects such funds  
30 is not required to maintain the funds in a segregated account  
31 if the owner is authorized by the insurer to hold the funds  
32 in an alternate manner, or the owner remits the funds to a  
33 supervising entity as required by the supervising entity, if  
34 applicable. "Supervising entity" is defined in the bill as a  
35 person licensed as an insurance producer who is appointed by an

1 insurer to supervise the administration of self-service storage  
2 insurance at an owner's locations.

3 The bill gave the commissioner the authority to suspend,  
4 revoke, or refuse to issue or renew an owner's limited  
5 lines producer license. The commissioner must adopt rules  
6 as necessary to implement and administer the provisions of  
7 the bill, and may take any action within the commissioner's  
8 authority to enforce compliance with the provisions of the  
9 bill.

10 The provisions of the bill are applicable to self-service  
11 storage insurance that is delivered, issued for delivery,  
12 continued, or renewed in this state on or after July 1, 2020.