

Enrolled
House Bill 2845

Sponsored by COMMITTEE ON BUSINESS AND LABOR (at the request of Self Storage Association)

CHAPTER

AN ACT

Relating to limited licenses for owners of self-service storage facilities to sell insurance; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Sections 2 to 8 of this 2013 Act are added to and made a part of ORS chapter 744.

SECTION 2. As used in sections 2 to 7 of this 2013 Act:

- (1) “Insurer” means an insurer, a surplus lines insurer or an insurance producer.**
- (2) “Licensee” means an owner that receives a limited license to sell insurance in accordance with sections 2 to 7 of this 2013 Act.**
- (3) “Occupant” has the meaning given that term in ORS 87.685.**
- (4) “Owner” has the meaning given that term in ORS 87.685.**
- (5) “Personal property” means movable property that is not affixed to land, examples of which are goods, merchandise, household items and furnishings, motor vehicles, watercraft and other vehicles, motorized or not.**
- (6) “Self-service storage facility” has the meaning given that term in ORS 87.685.**

SECTION 3. (1)(a) An owner may not sell insurance to an occupant without applying for and receiving a limited license under this section.

(b) An owner does not require a license under this section if the owner displays or makes available materials related to an insurer’s insurance coverage but does not sell the insurance or otherwise benefit from the insurer’s insurance sales.

(2) An owner may apply to the Director of the Department of Consumer and Business Services for a limited license to sell insurance under the provisions of sections 2 to 7 of this 2013 Act. The owner shall apply for the limited license on a form with contents the director specifies by rule.

(3)(a) An owner shall disclose in the application described in subsection (1) of this section the physical addresses for each of the self-service storage facilities at which the owner will sell insurance under the limited license and shall certify that the owner is an owner with respect to each of the self-service storage facilities.

(b) A licensee may sell insurance at a self-service storage facility other than the self-service storage facilities the licensee disclosed in an application under this section if the licensee notifies the director 30 days before the licensee begins to sell insurance at the other self-service storage facility.

(c) A licensee shall notify the director within 30 days after the licensee no longer sells insurance at a self-service storage facility.

(d) The director may issue and permit the owner to retain a limited license to sell insurance on the condition that the owner sells insurance only at the self-service storage facilities the owner discloses in the application for the limited license or at a self-service storage facility with respect to which the owner gives the director a notice under paragraph (b) of this subsection.

(4)(a) The director may issue a limited license to sell insurance to an owner if the director is satisfied that the owner has provided the information and made the disclosures the director requires under subsection (2) of this section.

(b) A limited license that the director issues under this subsection authorizes a licensee to sell insurance at all of the self-service storage facilities the licensee disclosed in an application under subsection (2) of this section. A licensee does not need a separate limited license for each self-service storage facility.

SECTION 4. (1) A licensee may sell insurance only:

(a) Of the type described in subsection (2) of this section;

(b) In connection with and incident to renting individual storage space to an occupant at a self-service storage facility; and

(c) In accordance with the requirements set forth in subsection (3) of this section.

(2) A licensee may sell insurance that covers an occupant only for personal property that is lost or damaged at the self-service storage facility where the licensee sold the insurance to the occupant.

(3)(a) A licensee that offers to sell insurance to an occupant shall provide written material that the Director of the Department of Consumer and Business Services approves and that:

(A) Summarizes the material terms of the insurance coverage, identifies the insurer, states the premium price and describes the benefits, exclusions and conditions of the insurance policy;

(B) Discloses that the insurance may duplicate or overlap with coverage the occupant may have from other insurance policies, such as a renter's policy, a homeowner's policy, a vehicle policy, a watercraft policy or another source of property insurance;

(C) States that renting individual storage space at the self-service storage facility does not require an occupant to purchase property insurance from the licensee or that, if renting individual storage space does require the occupant to have property insurance, that the occupant may satisfy the requirement by providing evidence that the occupant has coverage from another source of property insurance;

(D) Describes the process for filing a claim under the terms of the insurance policy; and

(E) Lists all costs to the occupant in connection with the insurance.

(b) A licensee that completes a transaction with an occupant that purchases insurance from the licensee shall provide evidence to the occupant of the insurer's coverage on a form that the insurer has approved.

(4) A licensee may sell only insurance provided by an insurer that is authorized under the Insurance Code to transact, in this state, the line of insurance that the licensee sells.

(5) A licensee may not advertise, represent or otherwise cause another person to understand or suppose that the licensee is a licensed insurer.

SECTION 5. (1)(a) A licensee must provide a training program for the licensee's employees or agents that sell insurance on the licensee's behalf. The training program must instruct the employees or agents about the coverage the insurance provides and about the provisions of sections 2 to 7 of this 2013 Act.

(b) The licensee each year shall submit to the Director of the Department of Consumer and Business Services for the director's approval an outline of, and copies of materials the licensee uses in, the training program.

(c) A licensee each year shall certify to the director that the licensee's employees or agents that sell insurance have completed or will complete the training program the licensee provides under paragraph (a) of this subsection before the employees or agents sell insurance.

(d) An employee or agent that has completed the training program under paragraph (a) of this subsection is not required to undergo continuing education in the topics covered in the training program.

(2) The director may audit the licensee's compliance with the provisions of subsection (1) of this section.

(3)(a) An employee or agent of a licensee may act on behalf and under the supervision of the licensee in matters within the scope of a license issued under section 3 of this 2013 Act.

(b) For purposes of sections 2 to 7 of this 2013 Act, the conduct of a licensee's agent or employee who is acting within the scope of the employee's or agent's duties toward the licensee is the conduct of the licensee.

SECTION 6. (1) The Director of the Department of Consumer and Business Services may suspend or revoke a limited license the director issued under section 3 of this 2013 Act, or may impose another penalty the director prescribes by rule, if:

(a) A licensee sells or offers to sell insurance other than insurance described in section 4 of this 2013 Act;

(b) An owner sells or offers to sell insurance to an occupant without obtaining a limited license in accordance with section 3 of this 2013 Act; or

(c) An owner or licensee violates another provision of sections 2 to 7 of this 2013 Act.

(2) The director may suspend or revoke a limited license under this section with respect to all or a portion of the licensee's self-service storage facilities.

SECTION 7. Sections 2 to 7 of this 2013 Act do not prohibit:

(1) An insurer from paying, or a licensee from receiving, a commission, fee or other compensation for selling the insurer's insurance; or

(2) A licensee or owner from paying an employee or agent of the licensee or owner a bonus, incentive payment or other compensation if the bonus, incentive payment or compensation does not depend on the employee's or agent's selling insurance.

SECTION 8. The Director of the Department of Consumer and Business Services may adopt rules to implement and administer the provisions of sections 2 to 7 of this 2013 Act.

SECTION 9. (1) Sections 2 to 8 of this 2013 Act become operative on January 1, 2014.

(2) The Director of the Department of Consumer and Business Services may take any action before the operative date specified in subsection (1) of this section that is necessary for the director to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the director by sections 2 to 8 of this 2013 Act.

SECTION 10. This 2013 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect on its passage.

Passed by House March 20, 2013

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Ramona J. Line, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate May 28, 2013

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Peter Courtney, President of Senate

Received by Governor:

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Approved:

.....M,....., 2013

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John Kitzhaber, Governor

Filed in Office of Secretary of State:

.....M,....., 2013

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Kate Brown, Secretary of State