

7118

I N S E N A T E

March 15, 2010

Introduced by Sen. BRESLIN -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law, in relation to authorizing the issuance of limited licenses to self-storage companies for the sale of insurance coverage on personal property stored in self-service storage spaces

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. The section heading and subsections (a), (d), (e), (f), (h)
2 and (i) of section 2131 of the insurance law, the section heading and
3 subsections (a), (e), (f), (h) and (i) as amended by chapter 582 of the
4 laws of 2003 and subsection (d) as amended by chapter 426 of the laws of
5 2005, are amended to read as follows:
6 Limited license for rental vehicle companies [and], wireless communi-
7 cations equipment vendors AND SELF-SERVICE STORAGE COMPANIES. (a) The
8 superintendent may issue to a rental vehicle company, a wireless commu-
9 nications equipment vendor, A SELF-SERVICE STORAGE COMPANY or to a fran-
10 chisee of a rental vehicle company [or], a wireless communications
11 equipment vendor, OR A SELF-SERVICE STORAGE COMPANY which has complied
12 with the requirements of this section, a limited license authorizing the
13 licensee, known as a "limited licensee" for the purpose of this article,
14 to act as agent, with reference to the kinds of insurance specified in
15 this section, of any insurer authorized to write such kinds of insurance
16 in this state.
17 (d) The rental vehicle company, wireless communications equipment
18 vendor, SELF-SERVICE STORAGE COMPANY or franchisee licensed pursuant to
19 subsection (a) of this section may act as agent for an authorized insurer
20 only in connection with the rental of motor vehicles [or], the sale
21 or offering for sale of wireless communications equipment OR THE RENTAL
22 OF STORAGE SPACE and only with respect to the following kinds of insurance:
23 (1) with respect to rental vehicle companies:
24 (A) excess liability insurance that provides coverage to the rental
25 car company or franchisee and renters and other authorized drivers of
26

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [] is old law to be omitted.

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1 rental vehicles, in excess of the standard liability limits provided by
2 the rental vehicle company in its rental agreement, for liability arising
3 from the negligent operation of the rental vehicle;

4 (B) accident and health insurance that provides coverage to renters
5 and other vehicle occupants, in excess to the standard first party benefits
6 provided pursuant to article fifty-one of this chapter, for accidental death
7 and/or dismemberment and for medical expenses resulting
8 from an accident that occurs during the rental period;

9 (C) personal effects insurance that provides coverage to renters and
10 other vehicle occupants for the loss of, or damage to, personal effects
11 that occurs during the rental period;

12 (D) any other coverage which the superintendent may approve as meaningful
13 and appropriate in connection with the rental of motor vehicles;
14 or

15 (2) with respect to wireless communications equipment vendors, insurance
16 issued to cover the loss, theft, mechanical failure, or malfunction of,
17 or damage to, wireless communications equipment offered as either an
18 individual policy issued to the consumer or as a group property and
19 casualty policy under which certificates or other evidence of coverage
20 are issued to individual consumers who enroll in the program, provided
21 however, that said insurance shall not extend to wireless services or
22 service contracts governed by article seventy-nine of this chapter[.];
23 OR

24 (3) WITH RESPECT TO SELF-SERVICE STORAGE COMPANIES:

25 (A) PERSONAL EFFECTS INSURANCE THAT PROVIDES COVERAGE TO RENTERS OF
26 STORAGE SPACES AT THE SAME FACILITY FOR THE LOSS OF, OR DAMAGE TO,
27 PERSONAL EFFECTS THAT OCCURS AT THE SAME FACILITY DURING THE RENTAL
28 PERIOD;

29 (B) ANY OTHER COVERAGE WHICH THE SUPERINTENDENT MAY APPROVE AS MEAN-
30 INGFUL AND APPROPRIATE IN CONNECTION WITH THE RENTAL OF STORAGE SPACE.

31 (e) No insurance may be issued pursuant to this section unless:

32 (1) with regard to the rental of vehicles only, the rental period of
33 the rental agreement does not exceed thirty consecutive days; and

34 (2) at every location where rental vehicle agreements [or], wireless
35 communications equipment agreements OR SELF-SERVICE STORAGE AGREEMENTS
36 are executed, brochures or other written materials are readily available
37 to the prospective consumer which:

38 (A) summarize, clearly and correctly, the material terms of insurance
39 coverage, including the identity of the insurer and, with regard to
40 wireless communications equipment insurance, the agent licensed under
41 subsection (b) of section two thousand one hundred three of this article;
42

43 (B) disclose that these policies may provide a duplication of coverage
44 already provided by a renter's personal automobile insurance policy,
45 homeowner's insurance policy, personal liability insurance policy, or
46 other source of coverage;

47 (C) state that the purchase by the consumer of the kinds of insurance
48 specified in this section is not required in order to rent a vehicle
49 [or], to purchase or lease wireless communications equipment OR TO RENT
50 STORAGE SPACE;

51 (D) describe the process for filing a claim in the event the consumer
52 elects to purchase coverage;

53 (E) the price, deductible, benefits, exclusions and conditions or
54 other limitations of such policies;

55 (F) disclose that the employee of the wireless communications equipment
56 vendor AND THE SELF-SERVICE STORAGE COMPANY is not qualified or

1 authorized to evaluate the adequacy of the purchaser's existing cover-
2 ages, unless otherwise licensed; and

3 (G) state that the customer may cancel the insurance at any time and
4 any unearned premium will be refunded in accordance with applicable law.

5 (3) evidence of coverage is provided to every consumer who elects to
6 purchase such coverage.

7 (f) Rates and forms for wireless communications equipment insurance
8 shall be subject to article twenty-three of this chapter. Any brochures
9 used in connection with wireless communications equipment insurance AND
10 SELF-SERVICE STORAGE COMPANY INSURANCE shall be filed with the super-
11 intendent for review and shall include disclosure of the claims filing
12 process, premium, deductible amounts and limits and shall be prominently
13 displayed in the brochure with at least twelve-point type bold headings.
14 Any such brochures shall also be subject to section three thousand one
15 hundred two of this chapter, provided, however, that any policy, certifi-
16 cate or other evidence of wireless communications equipment insurance
17 coverage OR SELF-SERVICE STORAGE COMPANY INSURANCE, whether or not
18 contained in such brochure, shall not be subject to section three thou-
19 sand one hundred two of this chapter, but shall be written in a clear
20 and coherent manner and whenever practicable shall use words with common
21 and everyday meaning to facilitate readability and to aid the policy-
22 holder in understanding the coverage provided.

23 (h) Each company or franchisee licensed pursuant to this section shall
24 conduct a training program, which shall be submitted to the superinten-
25 dent for approval prior to use, and which shall meet the following mini-
26 mum standards:

27 (1) each trainee shall receive basic instruction about the kinds of
28 insurance specified in this section offered for purchase by prospective
29 renters of rental vehicles [or], purchasers or lessors of wireless
30 communications equipment OR RENTERS OF STORAGE SPACE;

31 (2) each trainee shall be instructed with respect to the disclosures
32 required under subsection (e) of this section and to acknowledge to a
33 prospective renter of a rental vehicle [or], purchaser or lessor of
34 wireless communications equipment OR RENTER OF STORAGE SPACE that
35 purchase of any such insurance specified in this section is not required
36 in order for the consumer to rent a motor vehicle [or], purchase or
37 lease wireless communications equipment OR RENT STORAGE SPACE;

38 (3) each trainee shall be instructed to acknowledge to a prospective
39 consumer of the kinds of insurance specified in this section that the
40 consumer may have insurance policies that already provide the coverage
41 being offered by the rental vehicle company [or], the wireless communi-
42 cations equipment vendor OR SELF-SERVICE STORAGE COMPANY pursuant to
43 this section; and

44 (4) with regard to wireless communications equipment insurance [only]
45 AND SELF-SERVICE STORAGE COMPANY INSURANCE, training materials may be
46 developed and provided by an agent licensed pursuant to subsection (b)
47 of section two thousand one hundred three of this article.

48 (i) Limited licensees acting pursuant to and under the authority of
49 this section shall comply with all applicable provisions of this arti-
50 cle, except that notwithstanding section two thousand one hundred twenty
51 of this article, a limited licensee pursuant to this section shall not
52 be required to treat premiums collected from consumers purchasing such
53 insurance when renting motor vehicles [or], purchasing or leasing wire-
54 less communications equipment OR RENTING STORAGE SPACE as funds received
55 in a fiduciary capacity, provided that:

1 (1) the insurer represented by the limited licensee has consented in
2 writing, signed by the insurer's officer, that premiums need not be
3 segregated from funds received by the rental vehicle company [or], wire-
4 less communications equipment vendor OR SELF-SERVICE STORAGE COMPANY on
5 account of vehicle rental [or], wireless communications equipment
6 purchase or lease OR STORAGE SPACE RENTAL; and

7 (2) the charges for insurance coverage are itemized but not billed to
8 the consumer separately from the charges for rental vehicles [or],
9 purchase or lease of wireless communications equipment OR RENTING STOR-
10 AGE SPACE.

11 S 2. The insurance law is amended by adding a new section 3453 to read
12 as follows:

13 S 3453. SELF-SERVICE STORAGE COMPANY INSURANCE POLICES. (A) AS USED IN
14 THIS SECTION THE TERM "POLICY OF SELF-SERVICE STORAGE COMPANY INSURANCE"
15 MEANS AN INSURANCE POLICY COVERING THE KIND OF INSURANCE DESCRIBED IN
16 PARAGRAPH THREE OF SUBSECTION (D) OF SECTION TWO THOUSAND ONE HUNDRED
17 THIRTY-ONE OF THIS CHAPTER.

18 (B)(1) A GROUP POLICY, AND CERTIFICATES ISSUED THEREUNDER, OF
19 SELF-SERVICE STORAGE COMPANY INSURANCE SHALL NOT BE SUBJECT TO THE
20 PROVISIONS OF SECTION THREE THOUSAND FOUR HUNDRED TWENTY-FIVE OR THREE
21 THOUSAND FOUR HUNDRED TWENTY-SIX OF THIS ARTICLE.

22 (2) AN INSURER SHALL NOT TERMINATE OR OTHERWISE CHANGE THE TERMS AND
23 CONDITIONS OF A POLICY OF SELF-SERVICE STORAGE COMPANY INSURANCE, EXCEPT
24 IN ACCORDANCE WITH THE TERMS STATED IN THE POLICY.

25 S 3. This act shall take effect on the one hundred eightieth day after
26 it shall have become a law.