S T A T E O F N E W Y O R K

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I N A S S E M B L Y

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Introduced by M. of A. MORELLE -- read once and referred to the Committee on Insurance -- reported from committee, advanced to a third reading, amended and ordered reprinted, retaining its place on the order of third reading -- again amended on third reading, ordered reprinted, retaining its place on the order of third reading

AN ACT to amend the insurance law, in relation to authorizing the issuance of limited licenses to self-service 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:

Section 1. The section heading and subsections (a), (d), (e), (f), (h) and (i) of section 2131 of the insurance law, the section heading and subsections (a), (e), (f), (h) and (i) as amended by chapter 582 of the laws of 2003 and subsection (d) as amended by chapter 426 of the laws of 2005, are amended to read as follows:

Limited license for rental vehicle companies [and], wireless communications equipment vendors AND SELF-SERVICE STORAGE COMPANIES. (a) The superintendent may issue to a rental vehicle company, a wireless communications equipment vendor, A SELF-SERVICE STORAGE COMPANY or to a franchisee of a rental vehicle company [or], a wireless communications equipment vendor, OR A SELF-SERVICE STORAGE COMPANY which has complied with the requirements of this section, a limited license authorizing the licensee, known as a "limited licensee" for the purpose of this article, to act as agent, with reference to the kinds of insurance specified in this section, of any insurer authorized to write such kinds of insurance in this state.

(d) The rental vehicle company, wireless communications equipment vendor, OR SELF-SERVICE STORAGE COMPANY, or franchisee licensed pursuant to subsection (a) of this section may act as agent for an authorized insurer only in connection with the rental of motor vehicles [or], the sale or offering for sale of wireless communications equipment, OR THE RENTAL OF STORAGE SPACE, RESPECTIVELY, and only with respect to the following kinds of insurance:

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

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(1) with respect to rental vehicle companies:
(A) excess liability insurance that provides coverage to the rental car company or franchisee and renters and other authorized drivers of rental vehicles, in excess of the standard liability limits provided by the rental vehicle company in its rental agreement, for liability arising from the negligent operation of the rental vehicle;
(B) accident and health insurance that provides coverage to renters and other vehicle occupants, in excess to the standard first party benefits provided pursuant to article fifty-one of this chapter, for accidental death and/or dismemberment and for medical expenses resulting from an accident that occurs during the rental period;
(C) personal effects insurance that provides coverage to renters and other vehicle occupants for the loss of, or damage to, personal effects that occurs during the rental period;
(D) any other coverage which the superintendent may approve as meaningful and appropriate in connection with the rental of motor vehicles; or
(2) with respect to wireless communications equipment vendors, insurance issued to cover the loss, theft, mechanical failure, or malfunction of, or damage to, wireless communications equipment offered as either an individual policy issued to the consumer or as a group [property and casualty] policy under which certificates or other evidence of coverage are issued to individual consumers who enroll in the program, provided however, that said insurance shall not extend to wireless services or service contracts governed by article seventy-nine of this chapter; OR
(3) WITH RESPECT TO SELF-SERVICE STORAGE COMPANIES, THE FOLLOWING COVERAGES OFFERED AS EITHER AN INDIVIDUAL POLICY ISSUED TO THE CONSUMER OR AS A GROUP POLICY:
(A) PERSONAL EFFECTS INSURANCE THAT PROVIDES COVERAGE TO RENTERS OF STORAGE SPACES AT THE SELF-SERVICE STORAGE COMPANY'S FACILITY FOR THE LOSS OF, OR DAMAGE TO, PERSONAL PROPERTY STORED AT THE FACILITY, WHERE THE LOSS OR DAMAGE OCCURS AT THE SAME FACILITY DURING THE RENTAL PERIOD;
(B) ANY OTHER COVERAGE THAT THE SUPERINTENDENT MAY APPROVE AS MEANINGFUL AND APPROPRIATE IN CONNECTION WITH THE RENTAL OF STORAGE SPACE.
(e) No insurance may be issued pursuant to this section unless:
(1) with regard to the rental of vehicles only, the rental period of the rental agreement does not exceed thirty consecutive days; and
(2) at every location where rental vehicle agreements [or], wireless communications equipment agreements, OR SELF-SERVICE STORAGE AGREEMENTS are executed, brochures or other written materials are readily available to the prospective consumer [which] THAT:
(A) summarize, clearly and correctly, the material terms of insurance coverage, including the identity of the insurer and, with regard to wireless communications equipment insurance, the agent licensed under subsection (b) of section two thousand one hundred three of this article;
(B) disclose that these policies may provide a duplication of coverage already provided by a renter's personal automobile insurance policy, homeowner's insurance policy, personal liability insurance policy, or other source of coverage;
(C) state that the purchase by the consumer of the kinds of insurance specified in this section is not required in order to rent a vehicle [or], to purchase or lease wireless communications equipment, OR TO RENT STORAGE SPACE;
(D) describe the process for filing a claim in the event the consumer elects to purchase coverage;

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

(F) disclose that the employee of the RENTAL VEHICLE COMPANY, wireless communications equipment vendor OR SELF-STORAGE COMPANY is not qualified or authorized to evaluate the adequacy of the purchaser's existing coverages, unless otherwise licensed; and

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

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

(f) Rates and forms for [wireless communications equipment] insurance UNDER THIS SECTION shall be subject to article twenty-three of this chapter. Any brochures used in connection with [wireless communications equipment] insurance [and self-service storage company insurance] UNDER THIS SECTION shall be filed with the superintendent for review and shall include disclosure of the claims filing process, premium, deductible amounts and limits and shall be prominently displayed in the brochure with at least twelve-point type bold headings. Any such brochures shall also be subject to section three thousand one hundred two of this chapter, provided, however, that any policy, certificate or other evidence of [wireless communications equipment] insurance coverage, whether or not contained in such brochure, shall not be subject to section three thousand one hundred two of this chapter, but shall be written in a clear and coherent manner and whenever practicable shall use words with common and everyday meaning to facilitate readability and to aid the policyholder in understanding the coverage provided.

(h) Each company or franchisee licensed pursuant to this section shall conduct a training program, which shall be submitted to the superintendent for approval prior to use, and which shall meet the following minimum standards:

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

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

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

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

(i) Limited licensees acting pursuant to and under the authority of this section shall comply with all applicable provisions of this article, except that notwithstanding section two thousand one hundred twenty of this article, a limited licensee pursuant to this section shall not be required to treat premiums collected from consumers purchasing such

insurance when renting motor vehicles [or], purchasing or leasing wireless communications equipment, OR RENTING STORAGE SPACE as funds received in a fiduciary capacity, provided that:

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

(2) the charges for insurance coverage are itemized but not billed to the consumer separately from the charges for rental vehicles [or], purchase or lease of wireless communications equipment, OR STORAGE SPACE RENTAL.

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

S 3453. SELF-SERVICE STORAGE COMPANY GROUP INSURANCE POLICIES. (A) FOR PURPOSES OF THIS SECTION, UNLESS THE CONTEXT REQUIRES OTHERWISE:

(1) "SELF-SERVICE STORAGE COMPANY GROUP POLICY" MEANS A GROUP POLICY, INCLUDING CERTIFICATES ISSUED TO THE GROUP MEMBERS, WHERE THE GROUP POLICYHOLDER IS A SELF-SERVICE STORAGE COMPANY AND THE POLICY PROVIDES INSURANCE TO GROUP MEMBERS OF THE TYPE DESCRIBED IN PARAGRAPH THREE OF SUBSECTION (D) OF SECTION TWO THOUSAND ONE HUNDRED THIRTY-ONE OF THIS CHAPTER.

(2) "GROUP MEMBER" MEANS A PERSON WHO RENTS STORAGE SPACE FROM A SELF-SERVICE STORAGE COMPANY AND WHO IS INSURED UNDER THE SELF-SERVICE STORAGE COMPANY GROUP POLICY.

(3) "CERTIFICATE" OR "CERTIFICATE OF INSURANCE" MEANS ANY POLICY, CONTRACT, OR OTHER EVIDENCE OF INSURANCE, OR RIDER OR ENDORSEMENT THERETO, ISSUED TO A GROUP MEMBER UNDER A SELF-SERVICE STORAGE COMPANY GROUP POLICY.

(B) A SELF-SERVICE STORAGE COMPANY GROUP POLICY OR CERTIFICATE MAY BE ISSUED OR ISSUED FOR DELIVERY IN THIS STATE ONLY IN COMPLIANCE WITH THE PROVISIONS OF THIS SECTION.

(C) COVERAGE UNDER A SELF-SERVICE STORAGE COMPANY GROUP POLICY SHALL EXTEND ONLY TO GROUP MEMBERS.

(D) A SELF-SERVICE STORAGE COMPANY GROUP POLICY MAY PROVIDE ONLY THE INSURANCE COVERAGES DESCRIBED IN PARAGRAPH THREE OF SUBSECTION (D) OF SECTION TWO THOUSAND ONE HUNDRED THIRTY-ONE OF THIS CHAPTER.

(E) THE PREMIUM FOR THE SELF-SERVICE STORAGE COMPANY GROUP POLICY, INCLUDING CERTIFICATES, SHALL BE PAID WHOLLY BY THE GROUP MEMBERS IF THE GROUP POLICYHOLDER IS LICENSED PURSUANT TO SECTION TWO THOUSAND ONE HUNDRED THIRTY-ONE OF THIS CHAPTER. IN ALL OTHER CASES, SUCH PREMIUM MAY BE PAID BY THE GROUP POLICYHOLDER FROM FUNDS CONTRIBUTED:

(1) WHOLLY BY THE GROUP POLICYHOLDER;

(2) WHOLLY BY THE GROUP MEMBERS; OR

(3) JOINTLY BY THE GROUP POLICYHOLDER AND GROUP MEMBERS.

(F)(1) ANY POLICY DIVIDEND, RETROSPECTIVE PREMIUM CREDIT, OR RETROSPECTIVE PREMIUM REFUND IN RESPECT OF PREMIUMS PAID BY THE GROUP POLICYHOLDER MAY:

(A) BE APPLIED TO REDUCE THE PREMIUM CONTRIBUTION OF THE GROUP POLICYHOLDER, BUT NOT IN EXCESS OF THE PROPORTION TO ITS CONTRIBUTION; OR

(B) BE RETAINED BY THE GROUP POLICYHOLDER.

(2) ANY POLICY DIVIDEND, RETROSPECTIVE PREMIUM CREDIT, OR RETROSPECTIVE PREMIUM REFUND NOT DISTRIBUTED UNDER PARAGRAPH ONE OF THIS SUBSECTION SHALL BE:

(A) APPLIED TO REDUCE FUTURE PREMIUMS AND, ACCORDINGLY, FUTURE CONTRIBUTIONS, OF EXISTING OR FUTURE GROUP MEMBERS, OR BOTH; OR

(B) PAID OR REFUNDED TO THOSE GROUP MEMBERS INSURED ON THE DATE THE PAYMENT OR REFUND IS MADE TO THE GROUP POLICYHOLDER, IF DISTRIBUTED BY THE GROUP POLICYHOLDER, OR ON THE DATE OF MAILING, IF DISTRIBUTED DIRECTLY BY THE INSURER, SUBJECT TO THE FOLLOWING REQUIREMENTS:

(I) THE INSURER SHALL BE RESPONSIBLE FOR DETERMINING THE ALLOCATION OF THE PAYMENT OR REFUND TO THE GROUP MEMBERS;

(II) IF THE GROUP POLICYHOLDER DISTRIBUTES THE PAYMENT OR REFUND, THE INSURER SHALL BE RESPONSIBLE FOR AUDIT TO ASCERTAIN THAT THE PAYMENT OR REFUND IS ACTUALLY MADE IN ACCORDANCE WITH THE ALLOCATION PROCEDURE; AND

(III) IF THE GROUP POLICYHOLDER FAILS TO MAKE THE PAYMENT OR REFUND, THE INSURER SHALL MAKE THE PAYMENT OR REFUND DIRECTLY OR USE THE METHOD PROVIDED IN SUBPARAGRAPH (A) OF THIS PARAGRAPH.

(3) NOTWITHSTANDING PARAGRAPHS ONE AND TWO OF THIS SUBSECTION, IF A DIVIDEND ACCRUES UPON TERMINATION OF COVERAGE UNDER A SELF-SERVICE STORAGE COMPANY GROUP POLICY, THE PREMIUM FOR WHICH WAS PAID OUT OF FUNDS CONTRIBUTED BY GROUP MEMBERS SPECIFICALLY FOR THE COVERAGE, THE DIVIDEND SHALL BE PAID OR REFUNDED BY THE GROUP POLICYHOLDER TO THE GROUP MEMBERS INSURED ON THE DATE THE PAYMENT OR REFUND IS MADE TO THE GROUP POLICYHOLDER, NET OF REASONABLE EXPENSES INCURRED BY THE GROUP POLICYHOLDER IN PAYING OR REFUNDING THE DIVIDEND TO SUCH GROUP MEMBERS.

(4) FOR THE PURPOSES OF THIS SUBSECTION, "DIVIDEND" MEANS A RETURN BY AN INSURER TO A GROUP POLICYHOLDER OF EXCESS PREMIUMS PAID BY THAT GROUP POLICYHOLDER IN LIGHT OF FAVORABLE LOSS EXPERIENCE, INCLUDING RETROSPECTIVE PREMIUM CREDITS OR RETROSPECTIVE PREMIUM REFUNDS. THE TERM "DIVIDEND" DOES NOT INCLUDE REIMBURSEMENTS OR FEES RECEIVED BY A GROUP POLICYHOLDER IN CONNECTION WITH THE OPERATION OR ADMINISTRATION OF A SELF-SERVICE STORAGE COMPANY GROUP POLICY, INCLUDING ADMINISTRATIVE REIMBURSEMENTS, FEES FOR SERVICES PROVIDED BY THE GROUP POLICYHOLDER, OR TRANSACTIONAL SERVICE FEES.

(G) THE INSURER MUST TREAT IN LIKE MANNER ALL ELIGIBLE GROUP MEMBERS OF THE SAME CLASS.

(H) A SELF-SERVICE STORAGE COMPANY GROUP POLICY OR CERTIFICATE SHALL NOT BE ELIGIBLE FOR PLACEMENT BY AN EXCESS LINE BROKER LICENSED PURSUANT TO ARTICLE TWENTY-ONE OF THIS CHAPTER.

(I) (1) THE INSURER SHALL BE RESPONSIBLE FOR THE MAILING OR DELIVERY OF A CERTIFICATE OF INSURANCE TO EACH GROUP MEMBER INSURED UNDER THE SELF-SERVICE STORAGE COMPANY GROUP POLICY. THE INSURER SHALL ALSO BE RESPONSIBLE FOR THE MAILING OR DELIVERY TO EACH GROUP MEMBER OF AN AMENDED CERTIFICATE OF INSURANCE, OR ENDORSEMENT TO THE CERTIFICATE, WHENEVER THERE IS A CHANGE OF LIMITS; CHANGE IN TYPE OF COVERAGE; ADDITION, REDUCTION, OR ELIMINATION OF COVERAGE; OR ADDITION OF EXCLUSION, UNDER THE SELF-SERVICE STORAGE COMPANY GROUP POLICY OR CERTIFICATE.

(2) THE CERTIFICATE SHALL CONTAIN IN SUBSTANCE ALL MATERIAL TERMS AND CONDITIONS OF COVERAGE AFFORDED TO THE GROUP MEMBER, UNLESS THE SELF-SERVICE STORAGE COMPANY GROUP POLICY IS INCORPORATED BY REFERENCE AND A COPY OF THE GROUP POLICY ACCOMPANIES THE CERTIFICATE.

(3) IF COVERAGE AFFORDED TO THE GROUP MEMBER IS EXCESS OF OTHER APPLICABLE INSURANCE COVERAGE, THE CERTIFICATE SHALL CONTAIN A NOTICE ADVISING THE GROUP MEMBER THAT, IF THE MEMBER HAS OTHER INSURANCE COVERAGE, SPECIFIED COVERAGES UNDER THE SELF-SERVICE STORAGE COMPANY GROUP POLICY WILL BE EXCESS OVER THE OTHER INSURANCE.

(J) A GROUP POLICYHOLDER SHALL COMPLY WITH THE PROVISIONS OF SECTION TWO THOUSAND ONE HUNDRED TWENTY-TWO OF THIS CHAPTER, IN THE SAME MANNER AS AN AGENT OR BROKER, IN ANY ADVERTISEMENT, SIGN, PAMPHLET, CIRCULAR,

CARD, OR OTHER PUBLIC ANNOUNCEMENT REFERRING TO COVERAGE UNDER A SELF-SERVICE STORAGE COMPANY GROUP POLICY OR CERTIFICATE.

(K) A SELF-SERVICE STORAGE COMPANY GROUP POLICY OR CERTIFICATE SHALL NOT BE SUBJECT TO SECTION THREE THOUSAND FOUR HUNDRED TWENTY-FIVE OR SECTION THREE THOUSAND FOUR HUNDRED TWENTY-SIX OF THIS ARTICLE. THE FOLLOWING REQUIREMENTS SHALL APPLY IN REGARD TO TERMINATION OF COVERAGE:

(1) (A) A SELF-SERVICE STORAGE COMPANY GROUP POLICY OR CERTIFICATE MAY BE CANCELLED BY AN INSURER ONLY IF CANCELLATION IS BASED ON ONE OR MORE OF THE REASONS SET FORTH IN SUBPARAGRAPHS (A) THROUGH (D) OR (F) THROUGH (H) OF PARAGRAPH ONE OF SUBSECTION (C) OF SECTION THREE THOUSAND FOUR HUNDRED TWENTY-SIX OF THIS ARTICLE; PROVIDED, HOWEVER, THAT AN ACT OR OMISSION BY A GROUP MEMBER THAT WOULD CONSTITUTE THE BASIS FOR CANCELLATION OF AN INDIVIDUAL CERTIFICATE SHALL NOT CONSTITUTE THE BASIS FOR CANCELLATION OF THE SELF-SERVICE STORAGE COMPANY GROUP POLICY.

(B) WHERE THE PREMIUM IS DERIVED WHOLLY FROM FUNDS CONTRIBUTED BY THE GROUP POLICYHOLDER, AN INDIVIDUAL CERTIFICATE MAY BE CANCELLED BY THE INSURER ONLY IF CANCELLATION IS BASED ON ONE OR MORE OF THE REASONS SET FORTH IN SUBPARAGRAPH (B), (C) OR (H) OF PARAGRAPH ONE OF SUBSECTION (C) OF SECTION THREE THOUSAND FOUR HUNDRED TWENTY-SIX OF THIS ARTICLE.

(2) (A) AN INSURER'S CANCELLATION OF A SELF-SERVICE STORAGE COMPANY GROUP POLICY, INCLUDING ALL CERTIFICATES, SHALL NOT BECOME EFFECTIVE UNTIL FIFTEEN DAYS AFTER THE INSURER MAILS OR DELIVERS WRITTEN NOTICE OF CANCELLATION TO THE GROUP POLICYHOLDER AT THE MAILING ADDRESS SHOWN IN THE POLICY.

(I) WHERE ALL OR PART OF THE PREMIUM IS DERIVED FROM FUNDS CONTRIBUTED BY A GROUP MEMBER SPECIFICALLY FOR THE COVERAGE, WRITTEN NOTICE OF CANCELLATION OF THE SELF-SERVICE STORAGE COMPANY GROUP POLICY SHALL ALSO BE MAILED OR DELIVERED BY THE INSURER TO THE GROUP MEMBER AT THE GROUP MEMBER'S MAILING ADDRESS.

(II) WHERE NONE OF THE PREMIUM IS DERIVED FROM FUNDS CONTRIBUTED BY A GROUP MEMBER SPECIFICALLY FOR THE COVERAGE, THE GROUP POLICYHOLDER SHALL MAIL OR DELIVER WRITTEN NOTICE TO THE GROUP MEMBER ADVISING THE GROUP MEMBER OF THE CANCELLATION OF THE SELF-SERVICE STORAGE COMPANY GROUP POLICY AND THE EFFECTIVE DATE OF CANCELLATION. THE WRITTEN NOTICE SHALL BE MAILED OR DELIVERED BY THE GROUP POLICYHOLDER WITHIN NINETY DAYS AFTER RECEIVING NOTICE OF CANCELLATION FROM THE INSURER.

(B) AN INSURER'S CANCELLATION OF AN INDIVIDUAL CERTIFICATE SHALL NOT BECOME EFFECTIVE UNTIL FIFTEEN DAYS AFTER THE INSURER MAILS OR DELIVERS WRITTEN NOTICE OF CANCELLATION TO THE GROUP MEMBER AT THE GROUP MEMBER'S MAILING ADDRESS AND TO THE GROUP POLICYHOLDER AT THE MAILING ADDRESS SHOWN IN THE SELF-SERVICE STORAGE COMPANY GROUP POLICY.

(C) (I) A GROUP POLICYHOLDER MAY CANCEL A SELF-SERVICE STORAGE COMPANY GROUP POLICY, INCLUDING ALL CERTIFICATES, OR ANY INDIVIDUAL CERTIFICATE, FOR ANY REASON UPON THIRTY DAYS WRITTEN NOTICE TO THE INSURER AND EACH GROUP MEMBER; AND

(II) THE GROUP POLICYHOLDER SHALL MAIL OR DELIVER WRITTEN NOTICE TO EACH AFFECTED GROUP MEMBER OF THE GROUP POLICYHOLDER'S CANCELLATION OF THE SELF-SERVICE STORAGE COMPANY GROUP POLICY OR CERTIFICATE AND THE EFFECTIVE DATE OF CANCELLATION. SUCH WRITTEN NOTICE SHALL BE MAILED OR DELIVERED TO THE GROUP MEMBER'S MAILING ADDRESS AT LEAST THIRTY DAYS PRIOR TO THE EFFECTIVE DATE OF THE CANCELLATION.

(3) (A) UNLESS A SELF-SERVICE STORAGE COMPANY GROUP POLICY PROVIDES FOR A LONGER POLICY PERIOD, THE POLICY AND ALL CERTIFICATES SHALL BE ISSUED OR RENEWED FOR A ONE-YEAR POLICY PERIOD.

(B) THE GROUP POLICYHOLDER SHALL BE ENTITLED TO RENEW THE SELF-SERVICE STORAGE COMPANY GROUP POLICY AND ALL CERTIFICATES UPON TIMELY PAYMENT OF THE PREMIUM BILLED TO THE GROUP POLICYHOLDER FOR THE RENEWAL, UNLESS:

(I) THE INSURER MAILS OR DELIVERS TO THE GROUP POLICYHOLDER AND ALL GROUP MEMBERS WRITTEN NOTICE OF NONRENEWAL, OR CONDITIONAL RENEWAL; AND

(II) THE WRITTEN NOTICE IS MAILED OR DELIVERED AT LEAST THIRTY, BUT NOT MORE THAN ONE HUNDRED TWENTY DAYS PRIOR TO THE EXPIRATION DATE SPECIFIED IN THE POLICY OR, IF NO DATE IS SPECIFIED, THE NEXT ANNIVERSARY DATE OF THE POLICY.

(4) WHERE THE SELF-SERVICE STORAGE COMPANY GROUP POLICY IS NONRENEWED BY THE GROUP POLICYHOLDER, THE GROUP POLICYHOLDER SHALL MAIL OR DELIVER WRITTEN NOTICE TO EACH GROUP MEMBER ADVISING THE GROUP MEMBER OF NONRENEWAL OF THE SELF-SERVICE STORAGE COMPANY GROUP POLICY AND THE EFFECTIVE DATE OF NONRENEWAL. THE WRITTEN NOTICE SHALL BE MAILED OR DELIVERED BY THE GROUP POLICYHOLDER AT LEAST THIRTY DAYS PRIOR TO THE NONRENEWAL.

(5) EVERY NOTICE OF CANCELLATION, NONRENEWAL, OR CONDITIONAL RENEWAL SHALL CONTAIN THE SPECIFIC REASON OR REASONS FOR CANCELLATION, NONRENEWAL, OR CONDITIONAL RENEWAL.

(6) (A) AN INSURER SHALL NOT BE REQUIRED UNDER THIS SUBSECTION TO GIVE NOTICE TO A GROUP MEMBER IF THE INSURER HAS BEEN ADVISED BY EITHER THE GROUP POLICYHOLDER OR ANOTHER INSURER THAT SUBSTANTIALLY SIMILAR COVERAGE HAS BEEN OBTAINED FROM THE OTHER INSURER WITHOUT LAPSE OF COVERAGE.

(B) A GROUP POLICYHOLDER SHALL NOT BE REQUIRED UNDER THIS SUBSECTION TO GIVE NOTICE TO A GROUP MEMBER IF SUBSTANTIALLY SIMILAR COVERAGE HAS BEEN OBTAINED FROM ANOTHER INSURER WITHOUT LAPSE OF COVERAGE.

S 3. This act shall take effect on the one hundred eightieth day after it shall have become a law; provided, however, effective immediately the superintendent of insurance may promulgate any rules and regulations necessary to implement the provisions of this act on such effective date.