

3577

2009-2010 Regular Sessions

I N S E N A T E

March 25, 2009

Introduced by Sens. BRESLIN, MONSERRATE, THOMPSON -- 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-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:

1 Section 1. The section heading and subsections (a), (d), (e), (h) and
2 (i) of section 2131 of the insurance law, the section heading and
3 subsections (a), (e), (h) and (i) as amended by chapter 582 of the laws
4 of 2003, subsection (d) as amended by chapter 426 of the laws of 2005,
5 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.
8 (a) The superintendent may issue to a rental vehicle company, a wire-
9 less communications equipment vendor, A SELF-SERVICE STORAGE COMPANY or
10 to a franchisee of a rental vehicle company [or], a wireless communi-
11 cations equipment vendor, OR A SELF-SERVICE STORAGE COMPANY which has
12 complied with the requirements of this section, a limited license
13 authorizing the licensee, known as a "limited licensee" for the purpose
14 of this article, to act as agent, with reference to the kinds of insur-
15 ance specified in this section, of any insurer authorized to write such
16 kinds of insurance in this state.
17 (d) The rental vehicle company, wireless communications equipment
18 vendor, OR SELF-SERVICE STORAGE COMPANY, or franchisee licensed pursuant
19 to subsection (a) of this section may act as agent for an authorized
20 insurer only in connection with the rental of motor vehicles [or], the
21 sale or offering for sale of wireless communications equipment, OR THE

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

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1 RENTAL OF STORAGE SPACE and only with respect to the following kinds of
2 insurance:

3 (1) with respect to rental vehicle companies:

4 (A) excess liability insurance that provides coverage to the rental
5 car company or franchisee and renters and other authorized drivers of
6 rental vehicles, in excess of the standard liability limits provided by
7 the rental vehicle company in its rental agreement, for liability arising
8 from the negligent operation of the rental vehicle;

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

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

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

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

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

29 (A) PERSONAL EFFECTS INSURANCE THAT PROVIDES COVERAGE TO RENTERS OF
30 STORAGE SPACES AT THE SAME FACILITY FOR THE LOSS OF, OR DAMAGE TO,
31 PERSONAL EFFECTS THAT OCCURS AT THE SAME FACILITY DURING THE RENTAL
32 PERIOD;

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

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

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

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

42 (A) summarize, clearly and correctly, the material terms of insurance
43 coverage, including the identity of the insurer and, with regard to
44 wireless communications equipment insurance, the agent licensed under
45 subsection (b) of section two thousand one hundred three of this article;
46

47 (B) disclose that these policies may provide a duplication of coverage
48 already provided by a renter's personal automobile insurance policy,
49 homeowner's insurance policy, personal liability insurance policy, or
50 other source of coverage;

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

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

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

3 (F) disclose that the employee of the wireless communications equip-
4 ment vendor is not qualified or authorized to evaluate the adequacy of
5 the purchaser's existing coverages, unless otherwise licensed; and

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

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

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

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

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

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

31 (4) with regard to wireless communications equipment insurance only,
32 training materials may be developed and provided by an agent licensed
33 pursuant to subsection (b) of section two thousand one hundred three of
34 this article.

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

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

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

53 S 2. This act shall take effect immediately.