*** § 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.

* NB There are 3 § 3453's