

State of Utah
Administrative Rule Analysis
 Revised November 2021

NOTICE OF PROPOSED RULE		
TYPE OF RULE: New ___; Amendment _x_; Repeal ___; Repeal and Reenact ___		
Title No. - Rule No. - Section No.		
Utah Admin. Code Ref (R no.):	R590-245	Filing ID (Office Use Only)
Changed to Admin. Code Ref. (R no.):	R	

Agency Information

1. Department:	Insurance	
Agency:	Administration	
Room no.:	Suite 2300	
Building:	Taylorsville State Office Building	
Street address:	4315 S. 2700 W.	
City, state and zip:	Taylorsville, UT 84129	
Mailing address:	PO Box 146901	
City, state and zip:	Salt Lake City, UT 84114-6901	
Contact person(s):		
Name:	Phone:	Email:
Steve Gooch	801-957-9322	sgooch@utah.gov
Please address questions regarding information on this notice to the agency.		

General Information

2. Rule or section catchline:
R590-245. Self-Service Storage Insurance
3. Purpose of the new rule or reason for the change (Why is the agency submitting this filing?):
The rule is being changed in compliance with Executive Order 2021-12. During the review of this rule, the department discovered a number of minor issues that needed to be amended.
4. Summary of the new rule or change (What does this filing do? If this is a repeal and reenact, explain the substantive differences between the repealed rule and the reenacted rule):
The majority of the changes are being done to fix style issues to bring the rule text more in line with current rulewriting standards. Other changes make the language of the rule more clear, remove the Penalties section because penalties are already provided for in statute, remove the Enforcement Date section because the rule is already in force, and update the Severability section to use the department's current language. The changes do not add, remove, or change any regulations or requirements.

Fiscal Information

5. Provide an estimate and written explanation of the aggregate anticipated cost or savings to:
A) State budget:
There is no anticipated cost or savings to the state budget. The changes are largely clerical in nature, and will not change how the department functions.
B) Local governments:
There is no anticipated cost or savings to local governments. The changes are largely clerical in nature, and will not affect local governments.
C) Small businesses ("small business" means a business employing 1-49 persons):
There is no anticipated cost or savings to small businesses. The changes are largely clerical in nature, and will not affect small businesses.
D) Non-small businesses ("non-small business" means a business employing 50 or more persons):

There is no anticipated cost or savings to non-small businesses. The changes are largely clerical in nature, and will not affect non-small businesses.

E) Persons other than small businesses, non-small businesses, state, or local government entities ("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an **agency**):

There is no anticipated cost or savings to any other persons. The changes are largely clerical in nature.

F) Compliance costs for affected persons (How much will it cost an impacted entity to adhere to this rule or its changes?):

There are no compliance costs for any affected persons. The changes are largely clerical in nature.

G) Comments by the department head on the fiscal impact this rule may have on businesses (Include the name and title of the department head):

After conducting a thorough analysis, it was determined that this proposed rule amendment will not result in a fiscal impact to businesses. — Jonathan T. Pike, Insurance Commissioner

6. A) Regulatory Impact Summary Table (This table only includes fiscal impacts that could be measured. If there are inestimable fiscal impacts, they will not be included in this table. Inestimable impacts will be included in narratives above.)

Regulatory Impact Table

Fiscal Cost	FY2022	FY2023	FY2024
State Government	\$0	\$0	\$0
Local Governments	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0
Total Fiscal Cost	\$0	\$0	\$0
Fiscal Benefits			
State Government	\$0	\$0	\$0
Local Governments	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0
Total Fiscal Benefits	\$0	\$0	\$0
Net Fiscal Benefits	\$0	\$0	\$0

B) Department head approval of regulatory impact analysis:

The Commissioner of Insurance, Jonathan T. Pike, has reviewed and approved this fiscal analysis.

Citation Information

7. Provide citations to the statutory authority for the rule. If there is also a federal requirement for the rule, provide a citation to that requirement:

Section 31A-2-201	Section 31A-23a-104	Section 31A-23a-106
Section 31A-23a-110	Section 31A-23a-111	

Incorporations by Reference Information

(If this rule incorporates more than two items by reference, please include additional tables.)

8. A) This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to the Office of Administrative Rules; *if none, leave blank*):

	First Incorporation
Official Title of Materials Incorporated (from title page)	
Publisher	
Date Issued	

Issue, or version	
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B) This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to the Office of Administrative Rules; *if none, leave blank*):

	Second Incorporation
Official Title of Materials Incorporated (from title page)	
Publisher	
Date Issued	
Issue, or version	

Public Notice Information

9. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until (mm/dd/yyyy): 06/14/2022

B) A public hearing (optional) will be held:

On (mm/dd/yyyy):	At (hh:mm AM/PM):	At (place):

10. This rule change MAY become effective on (mm/dd/yyyy): 06/21/2022

NOTE: The date above is the date the agency anticipates making the rule or its changes effective. It is NOT the effective date. To make this rule effective, the agency must submit a Notice of Effective Date to the Office of Administrative Rules on or before the date designated in Box 10.

Agency Authorization Information

To the agency: Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the *Utah State Bulletin* and delaying the first possible effective date.

Agency head or designee, and title:	Steve Gooch, Public Information Officer	Date (mm/dd/yyyy):	05/02/2022
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R590. Insurance, Administration.

R590-245. Self-Service Storage Insurance.

R590-245-1. Authority.

This rule is promulgated by the commissioner pursuant to ~~[Subsection 31A-2-201(3) in which the commissioner is empowered to adopt rules to implement the provisions of the Utah Insurance Code and specifically Subsections:~~

~~_____ (1) 31A-23a-106(3)(a), that authorizes the Commissioner to recognize by rule other limited line producer lines of authority as to kinds of insurance not listed under Subsections 31A-23a-106(2)(a) through (f);~~

~~_____ (2) 31A-23a-104(2), and 31A-23a-110(1), that authorizes the Commissioner to prescribe the form in which licenses covered under Chapter 23a are to be issued or renewed; and~~

~~_____ (3) 31A-23a-111(10), that authorizes the Commissioner to prescribe by rule, license renewal and reinstatement procedures]~~ Sections 31A-2-201, 31A-23a-104, 31A-23a-106, 31A-23a-110, and 31A-23a-111.

R590-245-2. Purpose and Scope.

(1) The purpose of this rule is to:

(a) recognize self-service storage as a limited line producer line of authority; and

(b) establish standards of licensing for ~~[those in the]~~ self-service storage related insurance business ~~[in Utah]~~.

(2) This rule applies to ~~[all persons]~~ a person selling, soliciting, or negotiating self-service storage related insurance business ~~[in Utah]~~.

R590-245-3. Definitions.

~~[For the purposes of this rule, the commissioner adopts the definitions in Sections 31A-1-301 and 31A-23a-102, and the~~

following] Terms used in this rule are defined in Sections 31A-1-301 and 31A-23a-102. Additional terms are defined as follows:

~~(1) "Self-service storage insurance" means any contract of insurance issued to a renter as a part of an agreement of self-service storage with respect to:~~

~~(a) hazard insurance coverage provided to a renter for loss or damage to tangible personal property in storage or in transit during the rental period; or~~

~~(b) tenant liability insurance coverage.~~

~~(2) "Self-service storage facility" means a person or agency engaged in the business of providing leased or rented storage space to the public.~~

~~(3) "Storage space" means a room, unit, locker, or open space offered for rental to the public for temporary storage of personal belongings or light commercial goods.~~

~~(4) "Renter" means any person who obtains the use of storage space from a self-service storage facility under the terms of a rental agreement.~~

~~(5)(1) "Rental agreement" means [any-]a written agreement setting forth the terms and conditions governing the use of storage space provided by a self-service storage facility.~~

~~(2) "Renter" means a person who uses storage space from a self-service storage facility pursuant to a rental agreement.~~

~~(3) "Self-service storage facility" means a person or agency engaged in the business of providing leased or rented storage space to the public.~~

~~(4) "Self-service storage insurance" means a contract of insurance issued to a renter as part of an agreement of self-service storage with respect to:~~

~~(a) hazard insurance coverage provided to a renter for loss or damage to tangible personal property in storage or in transit during the rental period; or~~

~~(b) tenant liability insurance coverage.~~

~~(6)(5) "Self-service storage insurance license" means a limited line producer license with a self-service storage insurance limited line producer line of authority that authorizes a person[5] licensed [pursuant to] under this rule[5] to offer self-service storage insurance in connection with, and incidental to, a rental agreement[s] on behalf of an insurer[authorized to write the types of insurance specified in this state].~~

~~(6) "Storage space" means a room, unit, locker, or open space offered for rental to the public for temporary storage of personal belongings or light commercial goods.~~

R590-245-4. Licensing and Renewal.

~~(1) [All persons and entities-]A person involved in the sale, solicitation, or negotiation of self-service storage insurance must be licensed [in accordance with Chapter 31A-23a, applicable department rules regarding individual and agency licensing] pursuant to Title 31A, Chapter 23a, Insurance Marketing - Licensing Producers, Consultants, and Reinsurance Intermediaries, and this rule.~~

~~(2) A self-service storage insurance license is issued for a two-year [license-]period and [requires no-]does not require examination or continuing education.~~

~~(3) A self-service storage insurance license must be renewed at the end of the two-year licensing period [in accordance with Chapter 31A-23a and any applicable department rules regarding license renewal] pursuant to Title 31A, Chapter 23a, Insurance Marketing - Licensing Producers, Consultants, and Reinsurance Intermediaries, and this rule.~~

~~(4) A self-service storage insurance license may be held by [an individual or by an agency, such as-]a self-service storage facility or a franchisee of a self-service storage facility.~~

~~(5) An individual licensed under this rule [must either-]shall:~~

~~(a) be appointed by an insurance company underwriting the insurance policy the individual sells[7]; or~~

~~(b) be designated to act by an agency licensed under this rule.~~

~~(6) An agency licensed under this rule [must]shall:~~

~~(a) be appointed by an insurance company underwriting the insurance policies the agency sells; and~~

~~(b) designate a licensed individual to be responsible for the regulatory compliance of the agency[~~in Utah~~].~~

~~(7)(a) An agency licensed under this rule may employ non-licensed personnel [employed-]as a self-service storage counter sales representative[s] to sell, solicit, or negotiate self-service storage insurance.[~~Such~~-]~~

~~(b) Any non-licensed employee[s-]must shall:~~

~~(a)(i) be trained and supervised in the sale of a self-service storage insurance product[s]; and~~

~~(b)(ii) be responsible to a licensed individual designated by the agency.~~

~~(8) [No-]A self-service storage facility, or a franchisee of a self-service storage facility, may not offer or sell self-service storage insurance unless it [has complied-]complies with the requirements of this rule and [has been issued a license-]is licensed by the commissioner.~~

R590-245-5. Penalties.

~~A person found, after a hearing or other regulatory process, to be in violation of this rule shall be subject to penalties as provided under Section 31A-2-308.~~

R590-245-6. Enforcement Date.

~~The commissioner will begin enforcing this rule 45 days from the rule's effective date.~~

~~R590-245-7.~~ Severability.

~~[If any provision of this rule or the application of it to any person or circumstance is for any reason held to be invalid, the remaining provisions to other persons or circumstances shall not be affected.]~~ If any provision of this rule, Rule R590-245, or its application to any person or situation is held invalid, such invalidity does not affect any other provision or application of this rule that can be given effect without the invalid provision or application. The remainder of this rule shall be given effect without the invalid provision or application.

KEY: self-service storage, insurance

Date of Enactment or Last Substantive Amendment: November 12, 2008

Notice of Continuation: September 21, 2018

Authorizing, and Implemented or Interpreted Law: 31A-2-201; 31A-23a-104; 31A-23a-106; 31A-23a-110; 31A-23a-111; 31A-1-301; 31A-23a-102