

R590. Insurance, Administration.

R590-245. Self-Service Storage Insurance.

R590-245-1. Authority.

This rule is promulgated 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.

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 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:

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

(6) "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, licensed pursuant to this rule, to offer self-service storage insurance in connection with, and incidental to rental agreements on behalf of an insurer authorized to write the types of insurance specified in this state.

R590-245-4. Licensing and Renewal.

(1) All persons and entities 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, and this rule.

(2) A self-service storage insurance license is issued for a two-year license period and requires no 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.

(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 franchisee of a self-service storage facility.

(5) An individual licensed under this rule must either be appointed by an insurance company underwriting the insurance policy the individual sells, or be designated to act by an agency licensed under this rule.

(6) An agency licensed under this rule must:

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

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

(7) An agency licensed under this rule may employ non-licensed personnel employed as self-service storage counter sales representatives to sell, solicit, or negotiate self-service storage insurance. Such non-licensed employees must:

(a) be trained and supervised in the sale of self-service storage insurance products; and

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

(8) No self-service storage facility, or franchisee of a self-service storage facility, may offer or sell self-service storage insurance unless it has complied with the requirements of

this rule and has been issued a license 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.

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