Senate Engrossed

FILED

JANICE K. BREWER
SECRETARY OF STATE

State of Arizona
Senate
Forty-eighth Legislature
First Regular Session
2007

CHAPTER 50

SENATE BILL 1155

AN ACT

AMENDING SECTIONS 20-288 AND 20-292, ARIZONA REVISED STATUTES; AMENDING TITLE 20, CHAPTER 2, ARTICLE 3.3, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-332; RELATING TO SELF-SERVICE STORAGE AGENT LICENSES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 20-288, Arizona Revised Statutes, is amended to read:

20-288. Exemption from examination

A. An individual who applies for an insurance producer license in this state and who was previously licensed for the same lines of authority in another state is not required to take an examination if either:

1. The applicant is currently licensed in the other state.

2. The application is received within ninety days after the cancellation of the applicant's previous license and the other state issues a certification that, at the time of cancellation, the applicant was in good standing in that state, or other reliable information available to the director indicates that the applicant is or was licensed in good standing for the line of authority requested.

B. The following applicants are not required to take an examination:

1. An applicant for timely renewal of a license.

2. An applicant for the same type of license that covers the same lines of authority for which the applicant was licensed in this state, other than under a temporary license, within the twelve months preceding the date of application.

3. An applicant who is a ticket selling agent or any other representative of a common carrier for a limited line license that covers the sale of travel accident ticket policies or baggage insurance.

4. An applicant for a license as a nonresident insurance producer who meets the requirements of section 20-287, subsection A.

5. An applicant for a rental car agent license THAT IS ISSUED pursuant to section 20-331.

6. AN APPLICANT FOR A SELF-SERVICE STORAGE AGENT LICENSE THAT IS ISSUED PURSUANT TO SECTION 20-332.

Sec. 2. Section 20-292, Arizona Revised Statutes, is amended to read:

20-292. Violation; injunctive relief

If the director has cause to believe that any person is violating or about to violate section 20-282, 20-298, 20-311.01, 20-321.01, 20-331, 20-331.01, 20-332, 20-340.01 or 20-411, the director may order the person to cease and desist and, through the attorney general, may cause a complaint to be filed in the superior court in Maricopa county to enjoin and restrain the person from continuing the violation, engaging in the violation or doing any act in furtherance of the violation. If the director orders the person to cease and desist, the person may file a notice of appeal and may appeal any final order pursuant to title 41, chapter 6, article 10. If the director, through the attorney general, causes a complaint to be filed, the superior court in Maricopa county has jurisdiction of the proceeding and may make and enter an order or judgment awarding the preliminary or final relief as in its judgment is proper.

Sec. 3. Title 20, chapter 2, article 3.3, Arizona Revised Statutes, is amended by adding section 20-332, to read:

20-332. Self-service storage agents; license; definitions

A. THE DIRECTOR MAY ISSUE A SELF-SERVICE STORAGE AGENT LICENSE TO AN OPERATOR THAT HAS COMPLIED WITH THE REQUIREMENTS OF THIS SECTION AUTHORIZING THE OPERATOR TO OFFER OR TO SELL THE KINDS OF INSURANCE PRESCRIBED IN THIS SECTION IN CONNECTION WITH AND INCIDENTAL TO THE RENTAL OF SPACE AT A SELF-SERVICE STORAGE FACILITY.

B. AN APPLICANT FOR A SELF-SERVICE STORAGE AGENT LICENSE SHALL FILE A WRITTEN APPLICATION IN A FORM PRESCRIBED BY THE DIRECTOR. THE APPLICATION SHALL SPECIFY ALL LOCATIONS IN THIS STATE AT WHICH THE SELF-SERVICE STORAGE AGENT MAY CONDUCT BUSINESS UNDER THE LICENSE. NOTWITHSTANDING SECTION 20-290, SUBSECTION B, A SELF-SERVICE STORAGE AGENT IS NOT REQUIRED TO HAVE AN INDIVIDUAL LICENSEE IN EACH SELF-SERVICE STORAGE FACILITY OR PLACE WHERE INSURANCE IS TRANSACTED. THE SELF-SERVICE STORAGE AGENT SHALL NOTIFY THE DIRECTOR WITHIN THIRTY DAYS AFTER COMMENCING BUSINESS UNDER THE SELF-SERVICE STORAGE AGENT'S LICENSE AT ANY ADDITIONAL LOCATIONS IN THIS STATE OR OF THOSE LOCATIONS IN THIS STATE THAT CEASE TO DO BUSINESS UNDER THE LICENSE.

C. A SELF-SERVICE STORAGE AGENT MAY OFFER OR SELL INSURANCE ONLY IN CONNECTION WITH AND INCIDENTAL TO THE RENTAL OF SPACE AT A SELF-SERVICE STORAGE FACILITY AND ONLY WITH RESPECT TO PERSONAL PROPERTY INSURANCE THAT PROVIDES COVERAGE TO OCCUPANTS AT THE SELF-SERVICE STORAGE FACILITY WHERE THE INSURANCE IS TRANSACTED FOR THE LOSS OF OR DAMAGE TO STORED PERSONAL PROPERTY THAT OCCURS AT THAT FACILITY.

D. A SELF-SERVICE STORAGE AGENT SHALL NOT OFFER OR SELL INSURANCE PURSUANT TO THIS SECTION UNLESS:

1. THE SELF-SERVICE STORAGE AGENT MAKES READILY AVAILABLE TO THE PROSPECTIVE OCCUPANT BROCHURES OR OTHER WRITTEN MATERIALS THAT:

(a) SUMMARIZE THE MATERIAL TERMS OF INSURANCE COVERAGE OFFERED TO OCCUPANTS, INCLUDING THE IDENTITY OF THE INSURER, PRICE, BENEFITS, EXCLUSIONS AND CONDITIONS.

(b) DISCLOSE THAT THE POLICIES OFFERED BY THE SELF-SERVICE STORAGE AGENT MAY PROVIDE A DUPLICATION OF COVERAGE ALREADY PROVIDED BY AN OCCUPANT'S HOMEOWNER'S INSURANCE POLICY, RENTER'S INSURANCE POLICY, VEHICLE INSURANCE POLICY, WATERCRAFT INSURANCE POLICY OR OTHER SOURCE OF PROPERTY INSURANCE COVERAGE.

(c) STATE THAT IF INSURANCE IS REQUIRED AS A CONDITION OF RENTAL, THE REQUIREMENT MAY BE SATISFIED BY THE OCCUPANT PURCHASING THE INSURANCE PRESCRIBED IN THIS SECTION OR BY PRESENTING EVIDENCE OF OTHER APPLICABLE INSURANCE COVERAGE.

(d) DESCRIBE THE PROCESS FOR FILING A CLAIM.

2. ALL COSTS RELATED TO THE INSURANCE ARE CLEARLY ITEMIZED IN WRITING.

3. EVIDENCE OF COVERAGE IN A FORM APPROVED BY THE INSURER IS PROVIDED TO EVERY OCCUPANT WHO PURCHASES THE COVERAGE.

4. THE INSURANCE IS PROVIDED BY AN INSURER AUTHORIZED TO TRANSACT THE APPLICABLE KINDS OF INSURANCE IN THIS STATE OR BY A SURPLUS LINES INSURER PURSUANT TO ARTICLE 5 OF THIS CHAPTER.

E. AN EMPLOYEE OR AGENT OF A SELF-SERVICE STORAGE AGENT MAY ACT ON BEHALF OF AND UNDER THE SUPERVISION OF THE SELF-SERVICE STORAGE AGENT IN MATTERS RELATING TO THE CONDUCT OF BUSINESS UNDER THE LICENSE THAT IS ISSUED PURSUANT TO THIS SECTION. THE CONDUCT OF AN EMPLOYEE OR AGENT OF A SELF-SERVICE STORAGE AGENT ACTING WITHIN THE SCOPE OF EMPLOYMENT OR AGENCY IS DEEMED THE CONDUCT OF THE SELF-SERVICE STORAGE AGENT FOR PURPOSES OF THIS SECTION.

F. EACH SELF-SERVICE STORAGE AGENT SHALL PROVIDE A TRAINING PROGRAM THAT GIVES EMPLOYEES AND AGENTS OF THE SELF-SERVICE STORAGE AGENT BASIC INSTRUCTION ABOUT THE PROVISIONS OF THIS SECTION, INCLUDING THE KINDS OF INSURANCE COVERAGE PRESCRIBED IN THIS SECTION.

G. A SELF-SERVICE STORAGE AGENT SHALL NOT:

1. OFFER OR SELL INSURANCE EXCEPT IN CONNECTION WITH AND INCIDENTAL TO THE RENTAL OF SPACE AT A SELF-SERVICE STORAGE FACILITY.

2. ADVERTISE, REPRESENT OR OTHERWISE PORTRAY ITSELF OR ANY OF ITS EMPLOYEES OR AGENTS AS LICENSED INSURERS OR INSURANCE PRODUCERS.

3. PAY ANY PERSON ANY COMMISSION OR OTHER COMPENSATION DEPENDENT ON THE SALE OF INSURANCE UNDER THE SELF-SERVICE STORAGE AGENT LICENSE THAT IS ISSUED PURSUANT TO THIS SECTION.

H. NOTHING IN THIS SECTION PROHIBITS:

1. AN INSURER FROM PAYING, AND A SELF-SERVICE STORAGE AGENT FROM RECEIVING, A COMMISSION, SERVICE FEE OR OTHER VALUABLE CONSIDERATION DEPENDENT ON THE SALE OF INSURANCE.

2. A SELF-SERVICE STORAGE AGENT FROM PAYING, AND ITS EMPLOYEES OR AGENTS FROM RECEIVING, PRODUCTION PAYMENTS OR INCENTIVE PAYMENTS IF THE PAYMENTS ARE NOT DEPENDENT ON THE SALE OF INSURANCE.

I. AN OPERATOR IS NOT REQUIRED TO BE LICENSED PURSUANT TO THIS SECTION MERELY TO DISPLAY AND MAKE AVAILABLE TO PROSPECTIVE OCCUPANTS BROCHURES AND OTHER PROMOTIONAL MATERIALS CREATED BY OR ON BEHALF OF AN AUTHORIZED INSURER OR BY A SURPLUS LINES INSURER PURSUANT TO ARTICLE 5 OF THIS CHAPTER.

J. TO THE EXTENT NOT INCONSISTENT WITH THIS SECTION, SECTIONS 20-281, 20-282, 20-283, 20-288 AND 20-289, SECTION 20-290, SUBSECTION A AND SECTIONS 20-291, 20-292, 20-293, 20-295, 20-296, 20-297, 20-298, 20-299, 20-301 AND 20-302 APPLY TO SELF-SERVICE STORAGE AGENTS. A SELF-SERVICE STORAGE AGENT IS NOT SUBJECT TO THE CONTINUING EDUCATION REQUIREMENTS OF CHAPTER 18 OF THIS TITLE.

K. FOR THE PURPOSES OF THIS SECTION:

1. "OCCUPANT" MEANS A PERSON OR THE PERSON'S SUBLESSEE, SUCCESSOR OR ASSIGN WHO IS ENTITLED TO THE USE OF A LEASED SPACE OR SPACES AT A SELF-SERVICE STORAGE FACILITY, TO THE EXCLUSION OF OTHERS.

2. "OPERATOR" MEANS THE OWNER OR OWNER'S MANAGING AGENT OF A SELF-SERVICE STORAGE FACILITY.

3. "PERSONAL PROPERTY" MEANS MOVABLE PROPERTY THAT IS NOT AFFIXED TO LAND AND INCLUDES:

(a) GOODS, WARES, MERCHANDISE, HOUSEHOLD ITEMS AND FURNISHINGS.

(b) VEHICLES, MOTOR VEHICLES, TRAILERS AND SEMITRAILERS AS THOSE TERMS ARE DEFINED IN SECTION 28-101.

(c) WATERCRAFT AND MOTORIZED WATERCRAFT AS THOSE TERMS ARE DEFINED IN SECTION 5-301.

4. "SELF-SERVICE STORAGE AGENT" MEANS AN OPERATOR WHO IS LICENSED PURSUANT TO THIS SECTION.

5. "SELF-SERVICE STORAGE FACILITY" MEANS ANY REAL PROPERTY THAT IS USED FOR RENTING OR LEASING STORAGE SPACE IN WHICH THE OCCUPANTS THEMSELVES CUSTOMARILY STORE AND REMOVE PERSONAL PROPERTY ON A SELF-SERVICE BASIS.

APPROVED BY THE GOVERNOR APRIL 16, 2007.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 16, 2007.