# WEST VIRGINIA CODE: §33-12-38

**§33-12-38. Self-Service Storage Limited License Act.**

(a) Definitions. For purposes of this section, the following terms have the following meanings:

(1) "Leased space" means the individual storage space at the self-service storage facility which is leased or rented to an occupant pursuant to a rental agreement;

(2) "Location" means any physical location in the State of West Virginia or any website, call center site, or similar location directed to residents of the State of West Virginia;

(3) "Occupant" means a person entitled to the use of a leased space at a self-service storage facility under a rental agreement, or the person's sublessee, successor, or assign;

(4) "Owner" means the owner, operator, lessor, or sublessor of a self-service storage facility or the owner's agent or any other person authorized to manage the facility or to receive rent from any occupant under a rental agreement;

(5) "Personal property" means movable property not affixed to land and includes, but is not limited to, goods, wares, merchandise, motor vehicles, and household items and furnishings;

(6) "Rental agreement" means any agreement or lease that establishes or modifies the terms, conditions or rules concerning the lawful and reasonable use and occupancy of leased space at a self-service storage facility;

(7) "Self-service storage facility" means any real property used for renting or leasing individual storage spaces, other than storage spaces which are leased or rented as an incident to the lease or rental of residential property or dwelling units, to which the occupants have access for storing or removing their personal property;

(8) "Self-service storage insurance" means personal property insurance offered in connection with and incidental to the lease or rental of leased space at a self-service storage facility that provides coverage to occupants at the self-service storage facility where the insurance is transacted for the loss of or damage to personal property that occurs at that facility or when the property is in transit to or from that facility during the period of the rental agreement; and

(9) "Supervising entity" means a business entity that is a licensed insurance producer or an insurer.

(b) Licensure of owners.

(1) An owner shall hold a limited lines license under this section if the owner sells, solicits,

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or offers coverage for self-service storage insurance. Notwithstanding any other provision of this section to the contrary, an owner is not required to be licensed solely to display and make available to occupants and prospective occupants brochures and other promotional materials created by or on behalf of an authorized insurer or surplus lines insurer.

(2) A limited lines license issued under this section is limited to authorizing an owner and the owner's employees and authorized representatives to sell, solicit, and offer coverage for self-service storage insurance to occupants.

(3) A limited lines license issued under this section authorizes an owner and the owner's employees and authorized representatives to sell, solicit, and offer self-service storage insurance coverage at each location at which the owner conducts business.

(4) An owner shall maintain, and share with its supervising entity, a list of all locations in this state at which self-service storage insurance is offered on its behalf. The supervising entity shall submit the list to the Insurance Commissioner within 30 days upon request.

(5) An owner and its employees and authorized representatives are not subject to the agent pre-licensing education, examination, or continuing education requirements of this article.

(c) Requirements for Sale of Self-Service Storage Insurance.

(1) At every location where self-service storage insurance is offered, the owner shall make brochures or other written or electronic materials available to occupants which:

(A) Disclose that self-service storage insurance may provide a duplication of coverage already provided by an occupant's homeowner's insurance policy, renter's insurance policy, or other source of coverage;

(B) State that the enrollment by the occupant for the self-service storage insurance coverage offered by the owner is not required in order to lease or rent leased space from the owner;

(C) Provide the actual terms of the self-service storage insurance coverage, or summarize the material terms of the insurance coverage, including:

(i) The identity of the insurer;

(ii) The identity of the supervising entity;

(iii) The amount of any applicable deductible and how it is to be paid;

(iv) Benefits of the coverage; and

(v) Key terms and conditions of coverage;

(D) Summarize the process for filing a claim;

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(E) State that the occupant may cancel enrollment for the self-service storage insurance coverage at any time and the person paying the premium shall receive a refund of any applicable unearned premium.

(2) Self-service storage insurance may be provided under an individual policy or under a commercial, corporate, group, or master policy.

(3) Eligibility and underwriting standards for occupants electing to enroll in coverage shall be established for each self-service storage insurance program.

(d) Authority of owners.

(1) The employees and authorized representatives of owners may sell, solicit, and offer self-service storage insurance to occupants and are not subject to licensure as an insurance producer under this article provided that:

(A) The owner obtains a limited lines license to authorize the owner's employees and authorized representatives to sell, solicit, and offer self-service storage insurance;

(B) The insurer issuing the self-service storage insurance appoints a supervising entity to supervise the administration of the program including development of a training program for employees and authorized representatives of the owner who sell, solicit, or offer self-service storage insurance. The training required by this subdivision shall comply with the following:

(i) The training shall be delivered to all employees and authorized representatives of the owner who sell, solicit, or offer self-service storage insurance;

(ii) The training may be provided in electronic form. However, if provided in an electronic form the supervising entity shall implement a supplemental education program regarding the self-service storage insurance that is provided and overseen by licensed employees of the supervising entity; and

(iii) Each employee and authorized representative selling, soliciting, or offering self-service storage insurance shall receive basic instruction about the self-service storage insurance offered to occupants and the disclosures required under paragraph (C) of this subdivision.

(C) An employee or authorized representative of an owner does not advertise, represent, or otherwise hold himself or herself out as a licensed insurance producer, unless so licensed;

(D) An employee or authorized representative of an owner is compensated based primarily on the number of occupants enrolled for self-service storage insurance coverage. Employees and authorized representatives may receive compensation for enrolling occupants for self-service storage insurance coverage as long as the compensation for those activities is incidental to their overall compensation;

(2) The charges for self-service storage insurance coverage may be billed and collected by



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the owner. Any charge to the occupant for coverage that is not included in the cost associated with the lease or rental of leased space shall be separately itemized on the occupant's bill. If the coverage is included in the lease or rental of leased space, the owner shall clearly and conspicuously disclose to the occupant that the self-service storage insurance coverage is included with the lease or rental of leased space. An owner billing and collecting the charges is not required to maintain the funds in a segregated account, provided that the owner is authorized by the insurer to hold the funds in an alternative manner and remits the amounts to the supervising entity or insurer within 60 days of receipt. All premiums received by an owner from an occupant for self-service storage insurance shall be considered funds held by the owner in a fiduciary capacity for the benefit of the insurer. Owners may receive compensation for billing and collection services.

(e) Suspension of Privileges.

(1) If an owner or its employee or authorized representative violates any provision of this section, the commissioner may do any of the following:

(A) After notice and hearing, impose fines not to exceed $500 per violation or $5,000 in the aggregate for such conduct.

(B) After notice and hearing, impose other penalties that the commissioner considers necessary and reasonable to carry out the purpose of this article, including:

(i) Suspending the privilege of transacting self-service storage insurance pursuant to this section at specific business locations where violations have occurred; and

(ii) Suspending or revoking the ability of individual employees or authorized representatives to act under this section.

(2) If a supervising entity is determined by the commissioner to have not performed its required duties under this section or has otherwise violated any provision of this section, it is subject to the administrative actions set forth in §33-12-24 of this code.

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