

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2012 Regular Session of the General Assembly.

SENATE ENROLLED ACT No. 432

AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 27-1-15.6-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. (a) As used in this section, "insurer" does not include an officer, director, employee, subsidiary, or affiliate of an insurer.

(b) This chapter does not require an insurer to obtain an insurance producer license.

(c) The following are not required to be licensed as an insurance producer:

(1) An officer, director, or employee of an insurer or of an insurance producer, if the officer, director, or employee does not receive any commission on policies written or sold to insure risks that reside, are located, or are to be performed in Indiana, and if:

(A) the officer, director, or employee's activities are executive, administrative, managerial, clerical, or a combination of these, and are only indirectly related to the sale, solicitation, or negotiation of insurance;

(B) the officer, director, or employee's function relates to underwriting, loss control, inspection, or the processing, adjusting, investigating, or settling of a claim on a contract of insurance; or

(C) the officer, director, or employee is acting in the capacity of a special agent or agency supervisor assisting insurance

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producers and the officer, director, or employee's activities are limited to providing technical advice and assistance to licensed insurance producers and do not include the sale, solicitation, or negotiation of insurance.

(2) A person who secures and furnishes information for the purpose of:

(A) group life insurance, group property and casualty insurance, group annuities, or group or blanket accident and sickness insurance;

(B) enrolling individuals under plans;

(C) issuing certificates under plans or otherwise assisting in administering plans; or

(D) performing administrative services related to mass marketed property and casualty insurance;

where no commission is paid to the person for the service.

(3) A person identified in clauses (A) through (C) who is not in any manner compensated, directly or indirectly, by a company issuing a contract, to the extent that the person is engaged in the administration or operation of a program of employee benefits for the employer's or association's employees, or for the employees of a subsidiary or affiliate of the employer or association, that involves the use of insurance issued by an insurer:

(A) An employer or association.

(B) An officer, director, or employee of an employer or association.

(C) The trustees of an employee trust plan.

(4) An:

(A) employee of an insurer; or

(B) organization employed by insurers;

that is engaged in the inspection, rating, or classification of risks, or in the supervision of the training of insurance producers, and that is not individually engaged in the sale, solicitation, or negotiation of insurance.

(5) A person whose activities in Indiana are limited to advertising, without the intent to solicit insurance in Indiana, through communications in printed publications or other forms of electronic mass media whose distribution is not limited to residents of Indiana, provided that the person does not sell, solicit, or negotiate insurance that would insure risks residing, located, or to be performed in Indiana.

(6) A person who is not a resident of Indiana and who sells, solicits, or negotiates a contract of insurance for commercial

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property and casualty risks to an insured with risks located in more than one (1) state insured under that contract, provided that:

(A) the person is otherwise licensed as an insurance producer to sell, solicit, or negotiate the insurance in the state where the insured maintains its principal place of business; and

(B) the contract of insurance insures risks located in that state.

(7) A salaried full-time employee who counsels or advises the employee's employer about the insurance interests of the employer or of the subsidiaries or business affiliates of the employer, provided that the employee does not sell or solicit insurance or receive a commission.

(8) An officer, employee, or representative of a rental company (as defined in IC 24-4-9-7) who negotiates or solicits insurance incidental to and in connection with the rental of a motor vehicle.

(9) An individual who:

(A) furnishes only title insurance rate information at the request of a consumer; and

(B) does not discuss the terms or conditions of a title insurance policy.

(10) An employee or authorized representative of a vendor that is licensed as a limited lines producer under this chapter to sell, solicit, or negotiate portable electronics insurance incidental to and in connection with portable electronics transactions as described in IC 27-1-15.9.

(11) An employee or authorized representative of a self-storage facility that is licensed as a limited lines producer under this chapter to sell, solicit, or negotiate self-storage insurance incidental to and in connection with self-storage facility rental agreements as described in IC 27-1-16.1.

SECTION 2. IC 27-1-15.6-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 18. The commissioner may issue a limited lines producer's license to the following without examination:

(1) A person who is a ticket-selling producer of a common carrier and who will act only with reference to the issuance of insurance on personal effects carried as baggage, in connection with the transportation provided by such common carrier.

(2) A person who will only negotiate or solicit limited travel accident insurance in transportation terminals.

(3) A limited line credit insurance producer.

(4) A person who will only negotiate or solicit insurance under Class 2(j) of IC 27-1-5-1.

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(5) Any person who will negotiate or solicit a kind of insurance that the commissioner finds does not require an examination to demonstrate professional competency.

(6) A person that will sell, solicit, or negotiate only portable electronics insurance as provided in IC 27-1-15.9.

(7) A person that will sell, solicit, or negotiate only self-storage insurance as provided in IC 27-1-16.1.

SECTION 3. IC 27-1-16.1 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 16.1. Self-Storage Insurance

Sec. 1. The definitions in IC 27-1-15.6-2 apply throughout this chapter.

Sec. 2. As used in this chapter, "customer" means a person that obtains the use of storage space from a self-storage facility under the terms of a self-storage rental agreement.

Sec. 3. As used in this chapter, "insured customer" means a customer that purchases insurance under a self-storage insurance policy that is sold, solicited, or negotiated by a self-storage facility.

Sec. 4. As used in this chapter, "self-storage facility" means a person that is engaged in the business of providing rented storage space to the public.

Sec. 5. (a) As used in this chapter, "self-storage insurance" means:

(1) insurance that provides insurance coverage for the loss of, or damage to, tangible personal property that is contained in storage space or in transit during a self-storage rental agreement period; or

(2) other coverage that the commissioner approves in connection with the rental of storage space.

(b) The term does not include any of the following:

(1) A homeowner's insurance policy.

(2) A renter's insurance policy.

(3) A private passenger motor vehicle insurance policy.

(4) An insurance policy that provides coverage similar to the insurance provided by a policy described in subdivisions (1) through (3).

Sec. 6. As used in this chapter, "self-storage rental agreement" means a written agreement containing the terms and conditions governing the use of storage space provided by a self-storage facility.

Sec. 7. As used in this chapter, "supervising entity" means a

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business entity that:

- (1) supervises the activities of a self-storage facility related to a self-storage insurance policy;**
- (2) is an:**
 - (A) insurer; or**
 - (B) insurance producer;****that is licensed under this title; and**
- (3) issues, or is appointed by an insurer that issues, the self-storage insurance policy.**

Sec. 8. (a) A self-storage facility shall not sell, solicit, or negotiate self-storage insurance unless the self-storage facility holds a limited lines producer's license issued under IC 27-1-15.6-18 to sell, solicit, or negotiate self-storage insurance.

(b) A limited lines producer's license required by subsection (a) authorizes each of the following to sell, solicit, or negotiate self-storage insurance to a customer at each of a self-storage facility's locations in Indiana:

- (1) The self-storage facility.**
- (2) Each of the self-storage facility's employees or authorized representatives, regardless of whether the employee or authorized representative is individually licensed under IC 27-1-15.6, if the insurer that issues the self-storage insurance directly supervises or appoints a supervising entity to supervise:**
 - (A) the administration of the self-storage insurance sold by the self-storage facility; and**
 - (B) a training program for the employees and authorized representatives.**

(c) The following apply to a training program described in subsection (b):

- (1) The training must be provided to any employee or authorized representative who is directly engaged in the sale, solicitation, or negotiation of self-storage insurance.**
- (2) Initial training of an employee or authorized representative:**
 - (A) must be provided before the employee or authorized representative engages in the sale, solicitation, or negotiation of self-storage insurance; and**
 - (B) may be provided in electronic form or another form.**
- (3) Continuing training of an employee or authorized representative:**
 - (A) must be provided on a periodic basis; and**

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(B) may be provided in electronic form or another form.

(4) The training must be developed and overseen by employees of the supervising entity who are licensed as insurance producers under IC 27-1-15.6 with the qualifications described in IC 27-1-15.6-7(a)(3) and IC 27-1-15.6-7(a)(4).

(5) The training must provide basic instruction concerning the:

(A) self-storage insurance offered to customers of the self-storage facility; and

(B) disclosures required by section 10 of this chapter.

(d) An employee or authorized representative of a self-storage facility shall not:

(1) sell, solicit, or negotiate self-storage insurance except in connection with and incidental to the rental of storage space by the self-storage facility; or

(2) advertise or represent that the self-storage facility is an insurance producer other than a limited lines producer licensed under IC 27-1-15.6.

Sec. 9. (a) A supervising entity shall:

(1) maintain a registry of locations described in section 8(b) of this chapter; and

(2) make the registry available for examination by the commissioner during the supervising entity's regular business hours.

(b) The commissioner shall, at least ten (10) days before the examination is conducted, provide to a supervising entity written notice of an examination described in subsection (a).

Sec. 10. (a) A self-storage facility shall, at each location where self-storage insurance is sold, solicited, or negotiated, make available to customers written materials concerning the self-storage insurance.

(b) The written materials available under subsection (a) must do all the following:

(1) Disclose that self-storage insurance may duplicate coverage already provided under a customer's homeowner's insurance policy, renter's insurance policy, or other coverage.

(2) State that if insurance is required as a condition of a self-storage rental agreement, the requirement may be satisfied by the customer's:

(A) purchase of self-storage insurance that is sold, solicited, or negotiated by the self-storage facility; or

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(B) presentation to the self-storage facility of evidence of other applicable insurance coverage.

(3) Summarize the material terms of each self-storage insurance policy under which insurance is available from the self-storage facility, including all the following:

(A) The identity of the insurer that issues the self-storage insurance policy.

(B) The identity of any supervising entity.

(C) All costs related to the self-storage insurance policy.

(D) The amount of any applicable deductible.

(E) The benefits of the self-storage insurance.

(F) The key terms and conditions of coverage.

(4) Summarize the process for filing a claim.

(5) State that an insured customer may cancel the insured customer's coverage under the self-storage insurance policy at any time and the person who pays the premium will receive a refund of unearned premium.

Sec. 11. A self-storage facility, supervising entity, or insurer shall provide an evidence of coverage to each insured customer.

Sec. 12. Self-storage insurance may be sold:

(1) for any period; and

(2) under:

(A) an individual policy; or

(B) a group, commercial, or master policy issued to a self-storage facility to provide insurance for the self-storage facility's customers.

Sec. 13. The:

(1) insurer that issues a self-storage insurance policy; or

(2) supervising entity that supervises a self-storage facility with respect to a self-storage insurance policy;

shall establish eligibility and underwriting standards for each self-storage insurance policy that is sold, solicited, or negotiated by a self-storage facility.

Sec. 14. The following apply to charges for self-storage insurance:

(1) The charges may be billed and collected by the self-storage facility.

(2) If the insurance cost is not included in the cost associated with the self-storage rental agreement, the insurance cost must be separately itemized on the insured customer's bill.

(3) If the insurance cost is included in the cost associated with the self-storage rental agreement, the self-storage facility shall

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clearly and conspicuously disclose to the insured customer that the self-storage insurance cost is included with the cost of the self-storage rental agreement.

(4) A self-storage facility that bills and collects the charges shall maintain collected funds in a segregated account unless the:

(A) insurer that issues the self-storage insurance policy authorizes the self-storage facility to hold the funds in an alternative manner; and

(B) self-storage facility remits the funds to the supervising entity less than sixty (60) days after the self-storage facility receives the funds.

(5) All funds received by the self-storage facility from an insured customer as payment for the purchase of coverage under a self-storage insurance policy are considered to be funds held in trust by the self-storage facility in a fiduciary capacity for the benefit of the insurer.

(6) A self-storage facility may receive from an insurer or a supervising entity compensation for billing and collection services. Compensation described in this subdivision may be dependent on the sale of self-storage insurance.

Sec. 15. (a) This section supplements and does not limit the actions that may be taken by the commissioner for a violation under IC 27-1-15.6.

(b) If a self-storage facility or an employee or authorized representative of a self-storage facility violates this chapter, the commissioner may do any of the following:

(1) After notice and hearing, impose on the self-storage facility a civil penalty of at least fifty dollars (\$50) and not more than ten thousand dollars (\$10,000).

(2) After notice and hearing, impose other penalties that the commissioner considers necessary and reasonable, including:

(A) suspending the privilege of transacting self-storage insurance under this chapter at specific self-storage facility locations where violations have occurred; and

(B) suspending or revoking the ability of an individual employee or authorized representative to act under the self-storage facility's limited lines producer's license.

Sec. 16. (a) A self-storage facility shall apply for a limited lines producer's license required by this chapter by filing a sworn application for the license with the commissioner on forms prescribed and furnished by the commissioner.



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(b) An application filed under subsection (a) must include the following information:

(1) The name, residence address, and other information required by the commissioner for an employee or officer of the self-storage facility who is designated by the self-storage facility as the individual who is responsible for the self-storage facility's compliance with this chapter.

(2) The physical address of the self-storage facility's home office.

SECTION 4. [EFFECTIVE JULY 1, 2013] (a) The department of insurance shall, not later than August 1, 2013, make available an application for a limited lines producer's license required by IC 27-1-16.1, as added by this act.

(b) A self-storage facility that was engaged in the sale, solicitation, or negotiation of self-storage insurance at any time during the period beginning June 1, 2013, through June 30, 2013, may sell, solicit, or negotiate self-storage insurance, but shall not sell, solicit, or negotiate self-storage insurance after the later of:

(1) October 31, 2013; or

(2) ninety (90) days after the application for a limited lines producer's license has been made available by the department of insurance;

unless the self-storage facility has obtained a limited lines producer's license as required by IC 27-1-16.1, as added by this act.

(c) This SECTION expires January 1, 2015.

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President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: _____ Time: _____

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