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INSURANCE CODE - INS

DIVISION 1. GENERAL RULES GOVERNING INSURANCE [100 - 1879.8] (*Division 1 enacted by Stats. 1935, Ch. 145.*)

PART 2. THE BUSINESS OF INSURANCE [680 - 1879.8] (*Part 2 enacted by Stats. 1935, Ch. 145.*)

CHAPTER 5. Production Agencies [1621 - 1758.993] (*Chapter 5 repealed and added by Stats. 1959, Ch. 4.*)

ARTICLE 16.3. Self-Service Storage Agents [1758.7 - 1758.792] (*Article 16.3 added by Stats. 2004, Ch. 428, Sec. 3.*)

1758.7. (a) A self-service storage facility, or franchisee of a self-service storage facility, shall not offer or sell insurance unless it has complied with the requirements of this article and has been issued a license by the commissioner as provided in this article.

(b) The commissioner may issue to a self-service storage facility, or its franchisee, that has complied with the requirements of this article, a license that authorizes the self-service storage facility or its franchisee to offer or sell the types of insurance specified in Section 1758.75 in connection with and incidental to rental agreements on behalf of any insurer authorized to write those types of insurance policies in this state.

(c) (1) The license period shall be a two-year period beginning as described in subparagraph (A) or (B) of paragraph (2), as applicable, and ending on the second succeeding year on the last calendar day of the month in which the initial license was issued.

(2) The commencement of a license period shall be determined for each self-service storage facility or franchisee of a self-service storage facility, as follows:

(A) Upon initial licensing, the license period begins on the date the license is issued.

(B) Upon license renewal, the license period begins on the first day of the month following the month in which the initial license was issued.

(3) (A) Not less than 60 days before a permanent license will expire, the commissioner may use an electronic delivery method, including email or other similar electronic method of delivery, to deliver, or may mail, to the latest email or mailing address appearing on the commissioner's records, an application to the licensee to renew the license for the appropriate succeeding license period. It is the licensee's responsibility to renew whether or not a renewal application is received. The commissioner may accept a late renewal without penalty, provided that the licensee's failure to comply is due to clerical error or inadvertence on the part of the department.

(B) The application for renewal of a license shall be filed on or before the expiration date.

(C) The application for renewal of an expired license may be filed after the expiration date and until the same month and day of the next succeeding year. A licensee who files the renewal application after the license has expired shall be charged, in addition to the renewal fee, a penalty of 50 percent of the renewal fee.

(d) The applicant for a license pursuant to this section shall submit an application fee upon initial application and upon renewal application of two hundred ninety-four dollars (\$294).

(e) Costs associated with any enforcement action or investigation shall be paid for by the person or organization licensed pursuant to this article.

(Amended by Stats. 2021, Ch. 133, Sec. 34. (SB 272) Effective July 23, 2021.)

1758.71. (a) An applicant for a self-service storage agent license shall file the following documents with the commissioner:

(1) A written application for licensure signed by the applicant or an officer of the applicant in the form prescribed by the commissioner.

(2) A certificate by the insurer that is to be named in the self-service storage agent license stating that the insurer has satisfied itself that the named applicant is trustworthy and competent to act as its agent for the limited purpose of offering or selling the types of insurance specified in Section 1758.75 in connection with, and incidental to, self-service storage rental agreements and that the insurer will appoint the applicant to act as its agent in reference to offering or selling those types of insurance if the applicant is licensed by the commissioner. The certification shall be subscribed by an officer or managing agent of the insurer on a form prescribed by the commissioner.

(b) Notwithstanding any other provision of law, Sections 1667, 1668, 1668.5, 1669, 1670, 1738, and 1739 apply to any application for or issuance of a license pursuant to this article.

(Added by Stats. 2004, Ch. 428, Sec. 3. Effective January 1, 2005.)

1758.72. (a) Each self-service storage agent shall provide an insurance training program for its employees that shall meet the following minimum standards:

(1) Each employee shall receive instruction about the types of insurance specified in Section 1758.75 that are offered for sale to prospective renters.

(2) Each employee shall receive training about ethical sales practices.

(3) Each employee shall receive training about the disclosures to be given to prospective renters pursuant to subdivision (b) of Section 1758.76.

(b) Training materials used by or on behalf of the self-service storage facility to train its endorsee shall be submitted to the department at the time the applicant applies for a license under this article and whenever modified thereafter. Any changes to previously submitted training materials shall be submitted to the department with the changes highlighted 30 days prior to their use by the licensee. Training materials and changes in those materials submitted to the department pursuant to this subdivision shall be deemed approved for use by the company unless the company is notified by the department to the contrary. Failure by a self-service storage facility to submit training materials or changes for department review, or use of unapproved or disapproved training materials shall constitute grounds for the denial of an application for license, nonrenewal of a license, or a suspension of a license, as appropriate.

(c) An employee may not be endorsed to a self-service storage agent license unless that employee is 18 years of age or older.

(d) The self-service storage facility, at the time it submits its self-service storage agent license application pursuant to Section 1758.71, shall establish a list of the names of all endorsees to its self-service storage agent license. The list shall be maintained by the self-service storage facility in a form prescribed by, or format acceptable to, the commissioner, and shall be updated annually. The list shall be retained by the self-service storage facility for three years and made available to the commissioner for review and inspection.

(Added by Stats. 2004, Ch. 428, Sec. 3. Effective January 1, 2005.)

1758.73. Any employee of a licensee who has been trained pursuant to Section 1758.72 may act on behalf and under the supervision of the self-service storage facility agent in matters relating to the conduct of business under that agent's license. The conduct of an employee or agent of a licensee acting within the scope of employment or agency shall be deemed the conduct of the self-service storage facility agent for the purposes of this article.

(Added by Stats. 2004, Ch. 428, Sec. 3. Effective January 1, 2005.)

1758.74. (a) If a licensee violates any provision of this article, the commissioner may do any of the following:

(1) After notice and hearing, revoke or suspend the self-service storage facility's license.

(2) After notice and hearing, impose other penalties, including suspending the transaction of insurance at specific self-service storage facilities where violations of this article have occurred.

(3) Impose fines and penalties on the self-service storage agent for its conduct or that of its employees.

(b) If any person or persons sell insurance in connection with, or incidental to, self-service storage rental agreements, or hold themselves or an organization out as a self-service storage agent without obtaining the license required by this article, the commissioner may issue a cease and desist order pursuant to Section 12921.8.

(c) Notwithstanding any other provision of law, the provisions of Section 1748.5 are applicable to a self-service storage facility or its franchisee issued a license pursuant to this article.

(Amended by Stats. 2021, Ch. 133, Sec. 35. (SB 272) Effective July 23, 2021.)

1758.75. A self-service storage facility or its franchisee licensed under this article may act as a self-service storage agent for an authorized insurer only with respect to the following types of insurance and only in connection with, and incidental to, self-service storage rental agreements:

- (a) Insurance that provides hazard insurance coverage to renters for the loss of, or damage to, tangible personal property in storage or in transit during the rental period.
- (b) Any other coverage the commissioner may approve as meaningful and appropriate in connection with the rental of storage space.

(Added by Stats. 2004, Ch. 428, Sec. 3. Effective January 1, 2005.)

1758.76. A licensee shall not sell insurance pursuant to this article unless all of the following conditions are satisfied:

- (a) The self-service storage agent provides brochures or other written material to the prospective renter that does all of the following:

- (1) Summarizes the material terms and conditions of coverage offered to renters, including the identity of the insurer.
 - (2) Describes the process for filing a claim, including a toll-free telephone number to report a claim.
 - (3) Discloses any additional information on the price, benefits, exclusions, conditions, or other limitations of the types of insurance specified in Section 1758.75 that the commissioner may by rule prescribe.

- (4) Provide the licensee's name, address, telephone number, and license number and the availability of the department's toll-free consumer hotline.

- (b) The self-service storage agent makes all of the following disclosures to the renter, which shall be acknowledged in writing by the renter, or displayed by clear and conspicuous signs that are posted at every location where rental agreements are executed, such as the counter where a renter would sign a rental agreement:

- (1) That the purchase by the renter of the insurance is not required in order to rent storage space. However, the licensee's employees may advise the renter that the self-service storage facility's rental agreement may contain provisions requiring the renter to provide insurance on that renter's property in the storage unit.
 - (2) That the insurance policies offered by the self-service storage agent may provide a duplication of coverage already provided by a renter's homeowners insurance policy or by another source of coverage.
 - (3) That the self-service storage facility and its employees are not qualified or authorized to evaluate the adequacy of the purchaser's existing insurance coverage.

- (c) If a renter elects to purchase the coverage, evidence of coverage is stated on the face of the rental agreement or is provided to the renter.

- (d) The insurance is provided under an individual, a group, or a master policy issued to the self-service storage agent by an insurer authorized to write the types of insurance specified in Section 1758.75 in this state.

(Amended by Stats. 2021, Ch. 133, Sec. 36. (SB 272) Effective July 23, 2021.)

1758.77. A licensee shall not be required to treat moneys collected from renters purchasing insurance pursuant to this article as funds received in a fiduciary capacity if the insurer represented by the licensee has provided in writing that the funds need not be segregated from funds received by the self-service storage agent if the charges for insurance coverage are itemized and incorporated as part of the rental agreement.

(Added by Stats. 2004, Ch. 428, Sec. 3. Effective January 1, 2005.)

1758.78. A self-service storage agent shall not do any of the following:

- (a) Offer to sell insurance except in conjunction with, and incidental to, authorized rental agreements.
- (b) Advertise, represent, or otherwise portray itself or its employees as licensed insurers, insurance agents, or insurance brokers.

(Added by Stats. 2004, Ch. 428, Sec. 3. Effective January 1, 2005.)

1758.79. Any insurer that provides insurance to be sold by a self-service storage facility or its franchisee under this article shall file a copy of the policy with the commissioner, who shall make that policy available to the public.

(Added by Stats. 2004, Ch. 428, Sec. 3. Effective January 1, 2005.)

1758.791. As used in this article:

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

(b) "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.

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

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

(e) "Self-service storage agent" means a person or organization licensed pursuant to this article to offer insurance in connection with, and incidental to, rental agreements on behalf of an insurer authorized to write the types of insurance specified in Section 1758.75 in this state.

(Added by Stats. 2004, Ch. 428, Sec. 3. Effective January 1, 2005.)

1758.792. The commissioner shall adopt rules to implement the provisions of this article which may include fee differentials for smaller, self-service storage facilities. The rules shall be adopted as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code, and for the purposes of that chapter, including Section 11349.6 of the Government Code, the adoption of rules shall be considered by the Office of Administrative Law to be necessary for the immediate preservation of the public peace, health and safety, and general welfare.

(Added by Stats. 2004, Ch. 428, Sec. 3. Effective January 1, 2005.)