

**First Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 17-1045.01 Thomas Morris x4218

HOUSE BILL 17-1263

HOUSE SPONSORSHIP

McKean and Hansen,

SENATE SPONSORSHIP

Gardner,

House Committees
Business Affairs and Labor

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING AN AUTHORIZATION FOR THE COMMISSIONER OF**
102 **INSURANCE TO ISSUE A LICENSE THAT ALLOWS A LIMITED LINES**
103 **PRODUCER TO SELL LIMITED LINES SELF-STORAGE INSURANCE.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill authorizes the commissioner of insurance to issue a license that allows an owner or operator of a self-service storage facility to offer limited lines insurance to the occupant of self-storage space at the facility to cover the occupant's personal property that is stored in the self-storage space.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
Amended 2nd Reading
April 4, 2017

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** part 17 to article
3 4 of title 10 as follows:

4 **PART 17**

5 **SELF-STORAGE INSURANCE LIMITED LICENSES**

6 **10-4-1701. Definitions.** AS USED IN THIS PART 17, UNLESS THE
7 CONTEXT OTHERWISE REQUIRES:

8 (1) "INSURER" MEANS AN ADMITTED COMPANY OR AUTHORIZED
9 COMPANY, AS DEFINED IN SECTION 10-1-102 (3), APPROVED TO TRANSACT
10 INSURANCE IN THIS STATE.

11 (2) "LIMITED LINES SELF-STORAGE INSURANCE PRODUCER" MEANS
12 A LICENSED INSURANCE PRODUCER WHO IS DESIGNATED BY AN INSURER AS
13 THE SUPERVISING ENTITY FOR A SELF-STORAGE RETAILER PURSUANT TO
14 THIS PART 17.

15 (3) "OCCUPANT" MEANS A PERSON OR HIS OR HER LESSEE,
16 SUCCESSOR, OR ASSIGNEE ENTITLED TO THE USE OF A SELF-STORAGE SPACE
17 AT A SELF-SERVICE STORAGE FACILITY, TO THE EXCLUSION OF OTHERS,
18 UNDER A SELF-STORAGE RENTAL AGREEMENT.

19 (4) "OFFER AND DISSEMINATE" MEANS TO PROVIDE GENERAL
20 INFORMATION ABOUT SELF-STORAGE INSURANCE, INCLUDING A
21 DESCRIPTION OF THE COVERAGE AND PRICE, AS WELL AS PROCESSING THE
22 APPLICATION, COLLECTING PREMIUMS, AND PERFORMING OTHER
23 NONLICENSEABLE ACTIVITIES PERMITTED BY THE STATE.

24 (5) "SELF-SERVICE STORAGE FACILITY" MEANS REAL PROPERTY
25 DESIGNED AND USED FOR THE SOLE PURPOSE OF RENTING OR LEASING
26 INDIVIDUAL STORAGE SPACE TO OCCUPANTS WHO ARE GIVEN ACCESS TO

1 A SELF-STORAGE SPACE FOR THE SOLE PURPOSE OF STORING AND
2 REMOVING PERSONAL PROPERTY.

3 (6) "SELF-STORAGE INSURANCE" MEANS INSURANCE COVERAGE
4 FOR PROPERTY LOSS INCIDENTAL TO THE RENTAL OF A SELF-STORAGE
5 SPACE AT A SELF-SERVICE STORAGE FACILITY.

6 (7) "SELF-STORAGE RENTAL AGREEMENT" MEANS A WRITTEN
7 AGREEMENT SETTING FORTH THE TERMS AND CONDITIONS GOVERNING THE
8 USE OF A SELF-STORAGE SPACE PROVIDED BY A SELF-SERVICE STORAGE
9 FACILITY FOR RENT OR LEASE.

10 (8) "SELF-STORAGE RETAILER" MEANS A BUSINESS ENTITY THAT
11 RENTS SELF-STORAGE UNITS AND MAY OFFER AND DISSEMINATE
12 SELF-STORAGE INSURANCE AS A SERVICE TO ITS CUSTOMERS ON BEHALF OF
13 AND UNDER THE DIRECTION OF A SUPERVISING ENTITY. FOR THE PURPOSES
14 OF THIS SUBSECTION (8), "BUSINESS ENTITY" INCLUDES AN INDIVIDUAL
15 WORKING FOR OR ACTING ON BEHALF OF THE SELF-STORAGE RETAILER.

16 (9) "SELF-STORAGE SPACE" MEANS A DESIGNATED STORAGE UNIT
17 OR OTHER DESIGNATED SPACE AT A SELF-SERVICE STORAGE FACILITY.

18 (10) "SUPERVISING ENTITY" MEANS A BUSINESS ENTITY OR PERSON
19 THAT IS A LIMITED LINES SELF-STORAGE INSURANCE PRODUCER
20 AUTHORIZED BY AN INSURER TO SUPERVISE A SELF-STORAGE RETAILER.

21 **10-4-1702. Authority to issue license.** (1) A SUPERVISING
22 ENTITY MUST HOLD A LIMITED LINES SELF-STORAGE INSURANCE PRODUCER
23 LICENSE ISSUED BY THE DIVISION IN ACCORDANCE WITH PART 4 OF ARTICLE
24 2 OF THIS TITLE 10 IN ORDER TO SELL, SOLICIT, OR NEGOTIATE
25 SELF-STORAGE INSURANCE.

26 (2) AN EMPLOYEE OR AUTHORIZED REPRESENTATIVE OF A
27 SELF-STORAGE RETAILER MAY OFFER AND DISSEMINATE SELF-STORAGE

1 INSURANCE TO A CUSTOMER AT EACH SELF-STORAGE RETAILER LOCATION
2 AT WHICH THE EMPLOYEE OR AUTHORIZED REPRESENTATIVE IS
3 SUPERVISED BY A SUPERVISING ENTITY.

4 (3) AN EMPLOYEE OR AUTHORIZED REPRESENTATIVE OF A
5 SELF-STORAGE RETAILER SHALL NOT ADVERTISE, REPRESENT, OR
6 OTHERWISE HOLD HIMSELF OR HERSELF OUT AS A LICENSED INSURER,
7 INSURANCE AGENT, OR INSURANCE PRODUCER, AND SHALL NEITHER
8 EVALUATE NOR INTERPRET THE TECHNICAL TERMS, BENEFITS, OR
9 CONDITIONS OF THE OFFERED SELF-STORAGE INSURANCE WITH THE
10 OCCUPANT OR EVALUATE OR PROVIDE ADVICE CONCERNING AN
11 OCCUPANT'S EXISTING INSURANCE COVERAGE.

12 (4) UNLESS THE SELF-STORAGE RETAILER IS A SUPERVISING
13 ENTITY, THE SELF-STORAGE RETAILER SHALL NOT ADVERTISE, REPRESENT,
14 OR OTHERWISE HOLD ITSELF OUT AS A LICENSED INSURER, INSURANCE
15 AGENT, OR INSURANCE PRODUCER, AND SHALL NEITHER EVALUATE NOR
16 INTERPRET THE TECHNICAL TERMS, BENEFITS, OR CONDITIONS OF THE
17 OFFERED SELF-STORAGE INSURANCE WITH THE OCCUPANT OR EVALUATE
18 OR PROVIDE ADVICE CONCERNING AN OCCUPANT'S EXISTING INSURANCE
19 COVERAGE.

20 (5) A SUPERVISING ENTITY SHALL MAINTAIN A REGISTRY OF
21 SELF-STORAGE RETAILER LOCATIONS THAT ARE AUTHORIZED TO OFFER
22 AND DISSEMINATE SELF-STORAGE INSURANCE COVERAGE IN THIS STATE.
23 UPON REQUEST BY THE COMMISSIONER AND WITH TEN DAYS' NOTICE TO
24 THE SUPERVISING ENTITY, THE SUPERVISING ENTITY SHALL MAKE THE
25 REGISTRY OPEN TO INSPECTION AND EXAMINATION BY THE COMMISSIONER
26 DURING REGULAR BUSINESS HOURS OF THE SUPERVISING ENTITY.

27 (6) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A LICENSE

1 ISSUED PURSUANT TO THIS PART 17 AUTHORIZES THE LICENSEE AND ITS
2 EMPLOYEES OR AUTHORIZED REPRESENTATIVES TO ENGAGE IN THOSE
3 ACTIVITIES THAT ARE PERMITTED IN THIS PART 17.

4 **10-4-1703. License - application - restrictions.** (1) (a) BEFORE
5 BEING ISSUED A LIMITED LINES SELF-STORAGE INSURANCE PRODUCER
6 LICENSE, A PERSON MUST SUBMIT AN APPLICATION FOR A LIMITED LINES
7 SELF-STORAGE LICENSE IN ACCORDANCE WITH SECTION 10-2-404; EXCEPT
8 THAT THE APPLICANT IS NOT REQUIRED TO PROVIDE THE INFORMATION
9 SPECIFIED IN SECTION 10-2-404 (2).

10 (b) A SUPERVISING ENTITY IS RESPONSIBLE FOR COMPLIANCE WITH
11 THIS PART 17. IF A SELF-STORAGE RETAILER HAS MORE THAN ONE
12 SUPERVISING ENTITY, THE COMMISSIONER MAY HOLD ALL SUPERVISING
13 ENTITIES RESPONSIBLE FOR A VIOLATION OF THIS PART 17 IN ACCORDANCE
14 WITH SECTION 10-4-1709. IF A SELF-STORAGE RETAILER DERIVES MORE
15 THAN FIFTY PERCENT OF ITS REVENUE FROM THE SALE OF LIMITED LINES
16 SELF-STORAGE INSURANCE, THE SELF-STORAGE RETAILER SHALL PROVIDE
17 THE LOCATION OF THE SELF-STORAGE RETAILER'S HOME OFFICE AND THE
18 NAME, RESIDENTIAL ADDRESS, AND OTHER INFORMATION REQUIRED BY
19 THE COMMISSIONER FOR ALL OFFICERS, DIRECTORS, AND SHAREHOLDERS
20 OF RECORD HAVING BENEFICIAL OWNERSHIP OF TEN PERCENT OR MORE OF
21 ANY CLASS OF THE SELF-STORAGE RETAILER'S SECURITIES REGISTERED
22 UNDER FEDERAL SECURITIES LAWS. FOR PURPOSES OF THIS SECTION:

23 (I) A SUPERVISING ENTITY IS NOT REQUIRED TO BE AN OFFICER,
24 PARTNER, OR DIRECTOR OF THE SELF-STORAGE RETAILER; AND

25 (II) THE APPLICANT FOR A LIMITED LINES SELF-STORAGE
26 INSURANCE PRODUCER LICENSE PURSUANT TO THIS PART 17 IS EXEMPT
27 FROM THE REQUIREMENTS OF SECTIONS 10-2-404 (2)(f) AND 10-2-406.

1 (c) BY JULY 1, 2018, A PERSON ENGAGED IN THE SALE,
2 SOLICITATION, OR NEGOTIATION OF SELF-STORAGE INSURANCE BEFORE THE
3 EFFECTIVE DATE OF THIS PART 17 SHALL EITHER APPLY FOR A LIMITED
4 LINES SELF-STORAGE INSURANCE PRODUCER LICENSE OR CEASE ENGAGING
5 IN THE SALE OF SELF-STORAGE INSURANCE. TO SELL, SOLICIT, OR
6 NEGOTIATE SELF-STORAGE INSURANCE ON OR AFTER JULY 1, 2018, A
7 PERSON MUST FIRST OBTAIN A LIMITED LINES SELF-STORAGE INSURANCE
8 PRODUCER LICENSE. A LIMITED LINES SELF-STORAGE INSURANCE
9 PRODUCER LICENSE APPLICATION MUST BE ACCOMPANIED BY A FEE
10 PRESCRIBED BY THE COMMISSIONER IN ACCORDANCE WITH SECTION
11 10-2-413. A LIMITED LINES SELF-STORAGE INSURANCE PRODUCER LICENSE
12 MUST BE RENEWED AS SET FORTH IN SECTION 10-2-408.

13 (2) A LIMITED LINES SELF-STORAGE INSURANCE PRODUCER MAY
14 SELL, SOLICIT, OR NEGOTIATE, OR OFFER TO SELL, SOLICIT, OR NEGOTIATE,
15 SELF-STORAGE INSURANCE ONLY IN CONNECTION WITH, AND INCIDENTAL
16 TO, THE RENTAL OF A SELF-STORAGE SPACE IN A SELF-SERVICE STORAGE
17 FACILITY. THE SELF-STORAGE INSURANCE MAY PROVIDE COVERAGE ONLY
18 FOR DAMAGE OR LOSS TO THE PERSONAL PROPERTY OF THE OCCUPANT
19 CONTAINED IN THE SELF-STORAGE SPACE.

20 **10-4-1704. Disclosures to occupant.** (1) BEFORE ISSUING A
21 POLICY UNDER THIS PART 17, A SELF-STORAGE RETAILER SHALL PROVIDE
22 AN OCCUPANT WITH A WRITTEN SELF-STORAGE INSURANCE POLICY OR
23 SELF-STORAGE INSURANCE CERTIFICATE THAT:

24 (a) SUMMARIZES CLEARLY AND CORRECTLY THE MATERIAL TERMS
25 OF COVERAGE OFFERED TO THE OCCUPANT, INCLUDING THE IDENTITY AND
26 CONTACT INFORMATION OF BOTH THE INSURER AND THE SUPERVISING
27 ENTITY;

1 (b) STATES THE BENEFITS OF COVERAGE;

2 (c) STATES THAT THE SELF-STORAGE INSURANCE BEING OFFERED
3 MAY PROVIDE A DUPLICATION OF INSURANCE COVERAGE ALREADY
4 PROVIDED BY A HOMEOWNER'S INSURANCE POLICY OR OTHER SOURCE OF
5 COVERAGE IN EFFECT FOR THE OCCUPANT. THE STATEMENT MUST INCLUDE
6 A SPACE THAT ALLOWS THE OCCUPANT TO WRITE THE OCCUPANT'S INITIALS
7 TO SIGNIFY THE OCCUPANT'S ACKNOWLEDGMENT AND UNDERSTANDING OF
8 THE POTENTIAL DUPLICATION REFERENCED IN THIS SUBSECTION (1)(c).
9 THE RETAILER SHALL SPECIFICALLY BRING THE POTENTIAL DUPLICATION
10 REFERENCED IN THIS SUBSECTION (1)(c) AND THE OPPORTUNITY TO WRITE
11 THE OCCUPANT'S INITIALS TO THE OCCUPANT'S ATTENTION BY ORALLY
12 OFFERING THE OCCUPANT AN OPPORTUNITY TO READ THE STATEMENT AND
13 WRITE THE OCCUPANT'S INITIALS IN THE SPACE PROVIDED;

14 (d) STATES THE DEDUCTIBLE OF THE SELF-STORAGE INSURANCE
15 COVERAGE AND DESCRIBES THE PROCESS FOR FILING A CLAIM;

16 (e) STATES WHETHER THE POLICY COVERS FLOOD DAMAGE TO
17 STORED PROPERTY; AND

18 (f) STATES THAT THE SELF-STORAGE RETAILER CAN ANSWER
19 GENERAL INFORMATION ABOUT THE SELF-STORAGE INSURANCE OFFERED,
20 INCLUDING A DESCRIPTION OF THE COVERAGE AND PREMIUM, BUT IS
21 NEITHER QUALIFIED NOR AUTHORIZED TO ANSWER TECHNICAL QUESTIONS
22 ABOUT THE TERMS AND CONDITIONS OF THE SELF-STORAGE INSURANCE
23 OFFERED AND DISSEMINATED BY THE LIMITED LINES SELF-STORAGE
24 INSURANCE PRODUCER OR TO EVALUATE THE ADEQUACY OF THE
25 OCCUPANT'S EXISTING INSURANCE COVERAGE, IF ANY.

26 (2) IF THE SELF-STORAGE RENTAL AGREEMENT REQUIRES THE
27 OCCUPANT TO PROVIDE PROOF OF INSURANCE, THIS INSURANCE COVERAGE

1 REQUIREMENT MAY BE SATISFIED IF THE OCCUPANT:

2 (a) PURCHASES THIS COVERAGE FROM A SELF-STORAGE RETAILER;

3 OR

4 (b) PROVIDES EVIDENCE OF THIS COVERAGE FROM ANOTHER
5 SOURCE.

6 **10-4-1705. Supervision of issuance - training.** (1) A
7 SUPERVISING ENTITY SHALL SUPERVISE THE ADMINISTRATION OF THE
8 OFFERING AND DISSEMINATING OF SELF-STORAGE INSURANCE. THE
9 SUPERVISING ENTITY SHALL DEVELOP A TRAINING PROGRAM FOR THE
10 OFFERING AND DISSEMINATING OF THE SELF-STORAGE INSURANCE AND
11 SHALL REQUIRE ANY INDIVIDUAL WORKING FOR OR ACTING ON BEHALF OF
12 THE SELF-STORAGE RETAILER TO ATTEND THE TRAINING.

13 (2) THE TRAINING PROGRAM REQUIRED PURSUANT TO SUBSECTION
14 (1) OF THIS SECTION IS MANDATORY FOR ANY INDIVIDUAL WORKING FOR
15 OR ACTING ON BEHALF OF A SELF-STORAGE RETAILER THAT IS DIRECTLY
16 ENGAGED IN THE ACTIVITY OF OFFERING OR DISSEMINATING SELF-STORAGE
17 INSURANCE AND MUST INCLUDE THE FOLLOWING:

18 (a) AN EDUCATION PROGRAM REGARDING SELF-STORAGE
19 INSURANCE THAT IS CONDUCTED AND OVERSEEN BY THE SUPERVISING
20 ENTITY;

21 (b) INSTRUCTION TO ANY INDIVIDUAL OR BUSINESS ENTITY
22 WORKING FOR OR ACTING ON BEHALF OF A SELF-STORAGE RETAILER
23 ABOUT THE SELF-STORAGE INSURANCE OFFERED TO OCCUPANTS AND THE
24 DISCLOSURES REQUIRED PURSUANT TO THIS PART 17; AND

25 (c) INSTRUCTION THAT ANY INDIVIDUAL OR BUSINESS ENTITY
26 WORKING FOR OR ACTING ON BEHALF OF A SELF-STORAGE RETAILER SHALL
27 NOT:

1 (I) ADVERTISE, REPRESENT, OR OTHERWISE HOLD HIMSELF OR
2 HERSELF OUT AS A LICENSED INSURANCE PRODUCER OF ANY KIND; OR

3 (II) EVALUATE OR INTERPRET TECHNICAL TERMS, BENEFITS, OR
4 CONDITIONS OF THE OFFERED SELF-STORAGE INSURANCE OR EVALUATE AN
5 OCCUPANT'S EXISTING INSURANCE COVERAGE, IF THE OCCUPANT HAS ANY
6 SUCH COVERAGE.

7 (3) THE SELF-STORAGE RETAILER MAY BILL AND COLLECT
8 PREMIUMS FOR SELF-STORAGE INSURANCE. THESE SELF-STORAGE
9 INSURANCE PREMIUMS MUST BE SEPARATELY ITEMIZED IF THEY ARE NOT
10 INCLUDED IN THE COST OF THE RENTAL. IF THE PREMIUMS ARE INCLUDED
11 IN THE COST OF THE RENTAL OF THE SELF-STORAGE SPACE, A SUPERVISING
12 ENTITY SHALL ENSURE THAT IT IS CLEARLY AND CONSPICUOUSLY
13 DISCLOSED TO THE OCCUPANT THAT THE SELF-STORAGE INSURANCE IS
14 INCLUDED WITH THE RENTAL FEES FOR THE SELF-STORAGE SPACE. A
15 SUPERVISING ENTITY SHALL ESTABLISH A SEPARATE FIDUCIARY ACCOUNT
16 FOR THE COLLECTED COVERAGE PREMIUMS BUT IS NOT REQUIRED TO
17 SEGREGATE THE INDIVIDUAL OCCUPANTS' PREMIUMS IN THAT ACCOUNT.
18 A SUPERVISING ENTITY SHALL REMIT THE COVERAGE PREMIUM CHARGES
19 TO THE INSURER WITHIN SIXTY DAYS AFTER RECEIPT. ALL COVERAGE
20 PREMIUMS HELD BY A SUPERVISING ENTITY ARE HELD IN TRUST BY THE
21 SUPERVISING ENTITY IN A FIDUCIARY CAPACITY FOR THE BENEFIT OF THE
22 INSURER.

23 **10-4-1706. Compensation.** (1) THIS PART 17 DOES NOT PROHIBIT
24 THE PAYMENT OR RECEIPT OF RELATED COMPENSATION IN THE FORM OF A
25 COMMISSION, SERVICE FEE, BROKERAGE, OR OTHER VALUABLE
26 CONSIDERATION FOR THE SALE OF SELF-STORAGE INSURANCE THAT THE
27 SUPERVISING ENTITY IS AUTHORIZED TO SELL, SOLICIT, OR NEGOTIATE

1 UNDER THIS PART 17 IF THE SUPERVISING ENTITY WAS DULY LICENSED
2 UNDER THIS PART 17 FOR THE PERFORMANCE OF THE SERVICES AND HAS
3 MET ALL CONDITIONS AS SET FORTH IN THIS PART 17.

4 (2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A
5 SELF-STORAGE RETAILER SHALL NOT COMPENSATE EMPLOYEES OR THE
6 OPERATOR BASED PRIMARILY ON THE NUMBER OF OCCUPANTS ENROLLED
7 FOR LIMITED LINES SELF-STORAGE INSURANCE, BUT THE SELF-STORAGE
8 RETAILER MAY COMPENSATE EMPLOYEES OR THE OPERATOR FOR
9 ACTIVITIES UNDER THE LIMITED LINES EMPLOYEE'S OR SUPERVISING
10 ENTITY'S OVERALL COMPENSATION.

11 **10-4-1707. Exemption from requirements.** NOTWITHSTANDING
12 ANY OTHER PROVISION OF THIS PART 17, RULE PROMULGATED BY THE
13 COMMISSIONER, OR ORDER ISSUED BY THE COMMISSIONER, A SUPERVISING
14 ENTITY IS NOT REQUIRED TO MEET THE PRELICENSURE EDUCATIONAL
15 REQUIREMENTS IN SECTION 10-2-201, CONTINUING EDUCATION
16 REQUIREMENTS IN SECTION 10-2-301, OR EXAMINATION AND CONTINUING
17 EDUCATION REQUIREMENTS IN SECTION 10-2-403.

18 **10-4-1708. Notification.** (1) NOTWITHSTANDING ANY OTHER
19 PROVISION OF LAW:

20 (a) (I) WHENEVER WRITTEN NOTICE OR CORRESPONDENCE WITH
21 RESPECT TO A POLICY IS REQUIRED, THE INSURER SHALL SEND THE NOTICE
22 WITHIN THE NOTICE PERIOD, IF ANY, SPECIFIED BY LAW AND MAY SEND
23 NOTICES AND CORRESPONDENCE BY EITHER MAIL OR ELECTRONIC MEANS.
24 FOR PURPOSES OF THIS SUBSECTION (1)(a)(I), AN OCCUPANT'S PROVISION
25 OF AN E-MAIL ADDRESS TO THE INSURER OR SUPERVISING ENTITY IS
26 CONSENT TO RECEIVE WRITTEN NOTICES AND CORRESPONDENCE BY
27 ELECTRONIC MEANS.

1 (II) IF THE WRITTEN NOTICE IS MAILED, THE INSURER SHALL SEND
2 IT TO THE SUPERVISING ENTITY AT THE SUPERVISING ENTITY'S ADDRESS AS
3 WELL AS TO THE LAST-KNOWN ADDRESS OF THE OCCUPANT AND SHALL
4 MAINTAIN PROOF OF MAILING IN A FORM AUTHORIZED OR ACCEPTED BY
5 THE UNITED STATES POSTAL SERVICE OR OTHER COMMERCIAL MAIL
6 DELIVERY SERVICE.

7 (III) IF THE WRITTEN NOTICE IS SENT BY ELECTRONIC MEANS, THE
8 INSURER SHALL SEND IT TO THE SUPERVISING ENTITY AT THE SUPERVISING
9 ENTITY'S E-MAIL ADDRESS AND TO THE OCCUPANT'S LAST-KNOWN E-MAIL
10 ADDRESS AS PROVIDED BY THE OCCUPANT AND SHALL MAINTAIN PROOF
11 THAT THE WRITTEN NOTICE WAS SENT.

12 (b) A SUPERVISING ENTITY MAY SEND ANY NOTICE OR
13 CORRESPONDENCE REQUIRED BY THIS SECTION OR OTHERWISE REQUIRED
14 BY LAW ON BEHALF OF THE INSURER OR SELF-STORAGE RETAILER.

15 **10-4-1709. Enforcement.** (1) THE COMMISSIONER MAY, AFTER
16 NOTICE AND OPPORTUNITY FOR A HEARING, RESPOND TO A VIOLATION OF
17 A PROVISION OF THIS PART 17 BY:

18 (a) TAKING DISCIPLINARY ACTION AGAINST ANY SUPERVISING
19 ENTITY PURSUANT TO SECTION 10-2-801;

20 (b) IMPOSING OTHER PENALTIES, INCLUDING SUSPENDING THE
21 LICENSE OF A SUPERVISING ENTITY FOR A VIOLATION OF THIS PART 17
22 OCCURRED, AS THE COMMISSIONER CONSIDERS NECESSARY OR
23 CONVENIENT TO CARRY OUT THIS PART 17; OR

24 (c) SUSPENDING OR REVOKING THE ABILITY OF ANY INDIVIDUAL
25 WORKING FOR OR ACTING ON BEHALF OF A SELF-STORAGE RETAILER TO
26 ACT UNDER THE LIMITED LINES SELF-STORAGE INSURANCE PRODUCER
27 LICENSE.

1 **SECTION 2. Act subject to petition - effective date -**
2 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
3 the expiration of the ninety-day period after final adjournment of the
4 general assembly (August 9, 2017, if adjournment sine die is on May 10,
5 2017); except that, if a referendum petition is filed pursuant to section 1
6 (3) of article V of the state constitution against this act or an item, section,
7 or part of this act within such period, then the act, item, section, or part
8 will not take effect unless approved by the people at the general election
9 to be held in November 2018 and, in such case, will take effect on the
10 date of the official declaration of the vote thereon by the governor.
11 (2) This act applies to conduct occurring on or after the applicable
12 effective date of this act.