

HOUSE BILL 1310
EMERGENCY BILL

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C4

1998 Regular Session
8lr2493

By: **Delegates Love and Barve**

Introduced and read first time: February 19, 1998

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance - Rental Car Companies - Regulation Under Insurance Laws**

3 FOR the purpose of providing that certain insurance laws of the State do not apply to
4 rental car companies, or the employees or agents of rental car companies, that
5 offer certain coverages in connection with and incidental to the rental of a motor
6 vehicle; defining certain terms; making this Act an emergency measure; and
7 generally relating to rental car companies that offer insurance coverage to
8 renters of motor vehicles.

9 BY adding to

10 Article - Insurance

11 Section 1-202.1

12 Annotated Code of Maryland

13 (1997 Volume)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article - Insurance**

17 1-202.1.

18 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
19 INDICATED.

20 (2) "RENTAL AGREEMENT" MEANS A WRITTEN AGREEMENT THAT
21 CONTAINS THE TERMS AND CONDITIONS GOVERNING THE USE OF A RENTAL
22 VEHICLE PROVIDED BY A RENTAL COMPANY FOR RENTAL OR LEASE.

23 (3) "RENTAL COMPANY" MEANS A PERSON THAT IS ENGAGED IN THE
24 BUSINESS OF PROVIDING PRIMARILY PRIVATE PASSENGER MOTOR VEHICLES TO THE
25 PUBLIC UNDER A RENTAL AGREEMENT FOR A PERIOD NOT EXCEEDING 90 DAYS.

26 (4) "RENTER" MEANS A PERSON THAT RENTS A VEHICLE FROM A
27 RENTAL COMPANY UNDER THE TERMS OF A RENTAL AGREEMENT FOR A PERIOD NOT
28 EXCEEDING 90 DAYS.

1 (5) "VEHICLE" OR "RENTAL VEHICLE" MEANS A MOTOR VEHICLE OF THE
2 PRIVATE PASSENGER TYPE, INCLUDING A PASSENGER VAN, MINIVAN, OR SPORT
3 UTILITY VEHICLE, OR OF THE CARGO TYPE, INCLUDING A CARGO VAN, PICKUP
4 TRUCK, OR TRUCK WITH A GROSS VEHICLE WEIGHT OF LESS THAN 26,000 POUNDS
5 AND WHICH DOES NOT REQUIRE THE OPERATOR TO POSSESS A COMMERCIAL
6 DRIVER'S LICENSE.

7 (B) THIS ARTICLE DOES NOT APPLY TO A RENTAL COMPANY, OR THE
8 EMPLOYEES OR AGENTS OF A RENTAL COMPANY, THAT OFFERS COVERAGE IN
9 CONNECTION WITH AND INCIDENTAL TO THE RENTAL OF VEHICLES AT RENTAL
10 OFFICES OR BY PRESELECTION OF COVERAGE IN MASTER, CORPORATE, GROUP
11 RENTAL, OR INDIVIDUAL AGREEMENTS IN ANY OF THE FOLLOWING GENERAL
12 CATEGORIES:

13 (1) PERSONAL ACCIDENT INSURANCE, INCLUDING ACCIDENT AND
14 HEALTH INSURANCE, THAT COVERS THE RISKS OF TRAVEL AND PROVIDES
15 COVERAGE TO RENTERS AND OTHER RENTAL VEHICLE OCCUPANTS FOR
16 ACCIDENTAL DEATH OR DISMEMBERMENT AND FOR MEDICAL EXPENSES
17 RESULTING FROM AN ACCIDENT THAT OCCURS DURING THE TERM OF THE RENTAL
18 AGREEMENT;

19 (2) LIABILITY INSURANCE, INCLUDING UNINSURED MOTORIST
20 COVERAGE WHETHER OFFERED SEPARATELY OR IN COMBINATION WITH OTHER
21 LIABILITY INSURANCE, THAT PROVIDES COVERAGE TO RENTERS AND OTHER
22 AUTHORIZED DRIVERS OF RENTAL VEHICLES FOR LIABILITY ARISING FROM THE
23 OPERATION OF THE RENTAL VEHICLE;

24 (3) PERSONAL EFFECTS INSURANCE THAT PROVIDES COVERAGE TO
25 RENTERS AND OTHER RENTAL VEHICLE OCCUPANTS FOR THE LOSS OF, OR DAMAGE
26 TO, PERSONAL EFFECTS THAT OCCURS DURING THE TERM OF THE RENTAL
27 AGREEMENT;

28 (4) ROADSIDE ASSISTANCE AND EMERGENCY SICKNESS PROTECTION
29 PROGRAMS; AND

30 (5) ANY OTHER TRAVEL OR AUTO-RELATED COVERAGE THAT A RENTAL
31 COMPANY OFFERS IN CONNECTION WITH AND INCIDENTAL TO THE RENTAL OF
32 VEHICLES.

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
34 measure, is necessary for the immediate preservation of the public health and safety,
35 has been passed by a ye and nay vote supported by three-fifths of all the members
36 elected to each of the two Houses of the General Assembly, and shall take effect from
37 the date it is enacted.