

SENATE BILL 511

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1999 Regular Session
9r2044
CF 9r2043

By: **Senator Astle**

Introduced and read first time: February 5, 1999

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance - Motor Vehicle Rental Companies - Regulation**

3 FOR the purpose of providing that the insurance laws of the State do not apply to a
4 motor vehicle rental company, or the employees or agents of a motor vehicle
5 rental company, that offers certain insurance coverage in connection with the
6 rental of a motor vehicle if the motor vehicle rental company meets certain
7 requirements under certain circumstances; imposing certain certification,
8 training, employee compensation, and proof of financial ability requirements on
9 a motor vehicle rental company that offers insurance coverage under certain
10 circumstances; defining certain terms; and generally relating to the regulation
11 of motor vehicle rental companies that offer insurance coverage.

12 BY adding to

13 Article - Insurance

14 Section 1-209

15 Annotated Code of Maryland

16 (1997 Volume and 1998 Supplement)

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

19 **Article - Insurance**

20 1-209.

21 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
22 INDICATED.

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

27 (3) "RENTAL AGREEMENT" MEANS A WRITTEN AGREEMENT THAT
28 CONTAINS THE TERMS AND CONDITIONS GOVERNING THE USE OF A RENTAL

1 VEHICLE PROVIDED BY A MOTOR VEHICLE RENTAL COMPANY FOR RENTAL OR
2 LEASE.

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

6 (5) "VEHICLE" OR "RENTAL VEHICLE" MEANS A MOTOR VEHICLE:

7 (I) OF THE PRIVATE PASSENGER TYPE, INCLUDING A PASSENGER
8 VAN, MINIVAN, OR SPORT UTILITY VEHICLE; OR

9 (II) OF THE CARGO TYPE, INCLUDING A CARGO VAN, PICKUP
10 TRUCK, OR TRUCK WITH A GROSS VEHICLE WEIGHT OF LESS THAN 26,000 POUNDS
11 AND WHICH DOES NOT REQUIRE THE OPERATOR TO POSSESS A COMMERCIAL
12 DRIVER'S LICENSE.

13 (B) SUBJECT TO THE PROVISIONS OF SUBSECTION (C) OF THIS SECTION, THIS
14 ARTICLE DOES NOT APPLY TO A MOTOR VEHICLE RENTAL COMPANY, OR THE
15 EMPLOYEES OR AGENTS OF A MOTOR VEHICLE RENTAL COMPANY, THAT OFFERS
16 INSURANCE COVERAGE AS DESCRIBED IN SUBSECTION (D) OF THIS SECTION.

17 (C) IN ORDER TO OFFER INSURANCE COVERAGE AS AUTHORIZED UNDER
18 SUBSECTION (B) OF THIS SECTION, A MOTOR VEHICLE RENTAL COMPANY:

19 (1) SHALL OBTAIN A CERTIFICATE OF QUALIFICATION TO ACT AS A
20 BROKER, HAVE AT LEAST ONE MANAGEMENT EMPLOYEE WHO HAS A CERTIFICATE
21 OF QUALIFICATION TO ACT AS A BROKER, OR RETAIN THE SERVICES OF A PERSON
22 THAT HAS A CERTIFICATE OF QUALIFICATION TO ACT AS A BROKER;

23 (2) SHALL REQUIRE THE PERSON THAT HAS THE CERTIFICATE OF
24 QUALIFICATION TO ACT AS A BROKER TO:

25 (I) CONDUCT THE TRAINING REQUIRED UNDER ITEM (3) OF THIS
26 SUBSECTION; AND

27 (II) SUPERVISE THE CONDUCT OF THE EMPLOYEES OF THE MOTOR
28 VEHICLE RENTAL COMPANY RELATING TO THE OFFERING OF INSURANCE COVERAGE
29 AS AUTHORIZED UNDER THIS SECTION;

30 (3) SHALL PROVIDE A PROGRAM OF TRAINING, THE CONTENT AND THE
31 DURATION OF WHICH SHALL BE APPROVED BY THE COMMISSIONER, TO EACH
32 EMPLOYEE WHOSE PRIMARY FUNCTION IS TO RENT VEHICLES TO THE PUBLIC AND
33 TO OFFER INSURANCE COVERAGE AS AUTHORIZED UNDER THIS SECTION;

34 (4) MAY NOT PERMIT DIRECT COMPENSATION OR PAYMENT TO ITS
35 EMPLOYEES BY AN INSURER OR RENTER RELATING TO THE SALE OF INSURANCE
36 COVERAGE AS AUTHORIZED UNDER THIS SECTION; AND

37 (5) SHALL:

1 (I) OBTAIN A MASTER POLICY OF INSURANCE FROM AN
2 AUTHORIZED INSURER; OR

3 (II) PROVIDE EVIDENCE, IN A FORM ACCEPTABLE TO THE
4 COMMISSIONER, OF THE MOTOR VEHICLE RENTAL COMPANY'S ABILITY TO FULFILL
5 ITS FINANCIAL OBLIGATIONS UNDER ITS RENTAL AGREEMENTS.

6 (D) A MOTOR VEHICLE RENTAL COMPANY MAY OFFER ANY OF THE
7 FOLLOWING INSURANCE PRODUCTS IN CONNECTION WITH THE RENTAL OF
8 VEHICLES AT THE RENTAL OFFICES OF THE MOTOR VEHICLE RENTAL COMPANY OR
9 BY PRESELECTION OF COVERAGE IN MASTER, CORPORATE, GROUP RENTAL, OR
10 INDIVIDUAL AGREEMENTS:

11 (1) PERSONAL ACCIDENT INSURANCE, INCLUDING ACCIDENT AND
12 HEALTH INSURANCE THAT:

13 (I) COVERS THE RISKS OF TRAVEL; AND

14 (II) PROVIDES COVERAGE TO RENTERS AND OTHER RENTAL
15 VEHICLE OCCUPANTS FOR ACCIDENTAL DEATH OR DISMEMBERMENT AND FOR
16 MEDICAL EXPENSES RESULTING FROM AN ACCIDENT THAT OCCURS DURING THE
17 TERM OF THE RENTAL AGREEMENT;

18 (2) LIABILITY INSURANCE, INCLUDING AT THE SOLE OPTION OF THE
19 MOTOR VEHICLE RENTAL COMPANY, UNINSURED MOTORIST COVERAGE, WHETHER
20 OFFERED SEPARATELY OR IN COMBINATION WITH OTHER LIABILITY INSURANCE,
21 THAT PROVIDES COVERAGE TO RENTERS AND OTHER AUTHORIZED DRIVERS OF
22 RENTAL VEHICLES FOR LIABILITY ARISING FROM THE OPERATION OF THE RENTAL
23 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 MOTOR VEHICLE-RELATED COVERAGE THAT
31 A MOTOR VEHICLE RENTAL COMPANY OFFERS IN CONNECTION WITH AND
32 INCIDENTAL TO THE RENTAL OF VEHICLES.

33 (E) THE PROVISIONS OF THIS SECTION MAY NOT BE INTERPRETED TO
34 PREVENT A MOTOR VEHICLE RENTAL COMPANY FROM PROVIDING INCENTIVE
35 COMPENSATION TO AN EMPLOYEE, WHOSE PRIMARY FUNCTION IS TO RENT
36 VEHICLES TO THE PUBLIC AND TO OFFER INSURANCE PRODUCTS AS AUTHORIZED
37 UNDER THIS SECTION, BASED ON THE EMPLOYEE'S PERFORMANCE.

38 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
39 June 1, 1999.

