

By Senator Latvala

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A bill to be entitled
An act relating to insurance; amending s.
324.021, F.S.; providing a limitation on the
liability for bodily injury, property, and
economic damages for certain lessors and owners
of motor vehicles; providing for applicability;
providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraph (b) of subsection (9) of section
324.021, Florida Statutes, is amended, and paragraph (c) is
added to that subsection, to read:

324.021 Definitions; minimum insurance required.--The
following words and phrases when used in this chapter shall,
for the purpose of this chapter, have the meanings
respectively ascribed to them in this section, except in those
instances where the context clearly indicates a different
meaning:

(9) OWNER; OWNER/LESSOR.--

(b) Owner/lessor.--Notwithstanding any other provision
of the Florida Statutes or existing case law:

1. The lessor, under an agreement to lease a motor
vehicle for 1 year or longer which requires the lessee to
obtain insurance acceptable to the lessor which contains
limits not less than \$100,000/\$300,000 bodily injury liability
and \$50,000 property damage liability or not less than
\$500,000 combined property damage liability and bodily injury
liability, shall not be deemed the owner of said motor vehicle
for the purpose of determining financial responsibility for
the operation of said motor vehicle or for the acts of the

1 operator in connection therewith; further, this subparagraph
2 ~~paragraph~~ shall be applicable so long as the insurance meeting
3 these requirements is in effect. The insurance meeting such
4 requirements may be obtained by the lessor or lessee,
5 provided, if such insurance is obtained by the lessor, the
6 combined coverage for bodily injury liability and property
7 damage liability shall contain limits of not less than \$1
8 million and may be provided by a lessor's blanket policy.

9 2. The lessor, under an agreement to rent or lease a
10 motor vehicle for a period of less than 1 year, shall be
11 deemed the owner of the motor vehicle for the purpose of
12 determining liability for the operation of the vehicle or the
13 acts of the operator in connection therewith only up to
14 \$100,000 per person and up to \$300,000 per incident for bodily
15 injury and up to \$50,000 for property damage. If the lessee or
16 the operator of the motor vehicle is uninsured or has any
17 insurance with limits less than \$500,000 combined property
18 damage and bodily injury liability, the lessor shall be liable
19 for up to an additional \$500,000 in economic damages only
20 arising out of the use of the motor vehicle. The additional
21 specified liability of the lessor for economic damages shall
22 be reduced by amounts actually recovered from the lessee, from
23 the operator, and from any insurance or self insurance
24 covering the lessee or operator. Nothing in this subparagraph
25 shall be construed to affect the liability of the lessor for
26 its own negligence.

27 3. The owner who is a natural person and loans a motor
28 vehicle to any permissive user other than a relative residing
29 in the same household as defined in s. 627.732(4) shall be
30 liable for the operation of the vehicle or the acts of the
31 operator in connection therewith only up to \$100,000 per

1 person and up to \$300,000 per incident for bodily injury and
2 up to \$50,000 for property damage. If the permissive user of
3 the motor vehicle is uninsured or has any insurance with
4 limits less than \$500,000 combined property damage and bodily
5 injury liability, the owner shall be liable for up to an
6 additional \$500,000 in economic damages only arising out of
7 the use of the motor vehicle. The additional specified
8 liability of the owner for economic damages shall be reduced
9 by amounts actually recovered from the permissive user and
10 from any insurance or self-insurance covering the permissive
11 user. Nothing in this subparagraph shall be construed to
12 affect the liability of the owner for his or her own
13 negligence.

14 (c) Application.--The limits on liability in
15 subparagraphs (b)2. and (b)3. do not apply to an owner of
16 motor vehicles that are used for commercial activity in the
17 owner's ordinary course of business, other than a rental
18 company that rents or leases motor vehicles. For purposes of
19 this paragraph, the term "rental company" includes only an
20 entity that is engaged in the business of renting or leasing
21 motor vehicles to the general public and that rents or leases
22 a majority of its motor vehicles to persons with no direct or
23 indirect affiliation with the rental company. The term also
24 includes a motor vehicle dealer that provides temporary
25 replacement vehicles to its customers for up to 10 days.

26 Section 2. This act shall take effect July 1, 1999.
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SENATE SUMMARY

Provides that a lessor, under an agreement to rent or lease a motor vehicle for a period of less than 1 year, and an owner who is a natural person and loans a motor vehicle to any permissive user other than a relative residing in the same household are liable for the operation of the vehicle or the acts of the operator in connection therewith only up to the limits prescribed in the bill for bodily injury, property damage, and economic damage. Provides that the limits on liability do not apply to an owner of motor vehicles that are used for commercial activity in the owner's ordinary course of business, other than a rental company that rents or leases motor vehicles. Defines the term "rental company."