

1                                   A bill to be entitled  
 2           An act relating to motor vehicle short-term rental or  
 3           lease insurance; amending s. 324.021, F.S.; requiring  
 4           lessees under certain motor vehicle rental or lease  
 5           agreements to obtain certain liability insurance;  
 6           specifying minimum insurance requirements for motor  
 7           vehicles rented or leased for less than a single year;  
 8           providing requirements; prohibiting a lessor from leasing  
 9           to a lessee without having such insurance; authorizing  
 10          certain lessors to offer and sell certain insurance;  
 11          authorizing such lessors to charge a fee under certain  
 12          circumstances; specifying absence of lessor liability  
 13          under certain circumstances; providing application;  
 14          providing an effective date.

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

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 18           Section 1. Paragraph (c) of subsection (9) of section  
 19   324.021, Florida Statutes, is amended to read:

20           324.021 Definitions; minimum insurance required.--The  
 21   following words and phrases when used in this chapter shall, for  
 22   the purpose of this chapter, have the meanings respectively  
 23   ascribed to them in this section, except in those instances  
 24   where the context clearly indicates a different meaning:

25           (9) OWNER; OWNER/LESSOR.--

26           (c) Application.--

27           1. The limits on liability in subparagraphs (b)2. and 3.  
 28   do not apply to an owner of motor vehicles that are used for

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29 commercial activity in the owner's ordinary course of business,  
30 other than a rental company that rents or leases motor vehicles.  
31 For purposes of this paragraph, the term "rental company"  
32 includes only an entity that is engaged in the business of  
33 renting or leasing motor vehicles to the general public and that  
34 rents or leases a majority of its motor vehicles to persons with  
35 no direct or indirect affiliation with the rental company. The  
36 term also includes a motor vehicle dealer that provides  
37 temporary replacement vehicles to its customers for up to 10  
38 days. The term "rental company" also includes:

39 a. A related rental or leasing company that is a  
40 subsidiary of the same parent company as that of the renting or  
41 leasing company that rented or leased the vehicle.

42 b. The holder of a motor vehicle title or an equity  
43 interest in a motor vehicle title if the title or equity  
44 interest is held pursuant to or to facilitate an asset-backed  
45 securitization of a fleet of motor vehicles used solely in the  
46 business of renting or leasing motor vehicles to the general  
47 public and under the dominion and control of a rental company,  
48 as described in this subparagraph, in the operation of such  
49 rental company's business.

50 2. Furthermore, with respect to commercial motor vehicles  
51 as defined in s. 627.732, the limits on liability in  
52 subparagraphs (b)2. and 3. do not apply if, at the time of the  
53 incident, the commercial motor vehicle is being used in the  
54 transportation of materials found to be hazardous for the  
55 purposes of the Hazardous Materials Transportation Authorization  
56 Act of 1994, as amended, 49 U.S.C. ss. 5101 et seq., and that is

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57 | required pursuant to such act to carry placards warning others  
58 | of the hazardous cargo, unless at the time of lease or rental  
59 | either:

60 |       a. The lessee indicates in writing that the vehicle will  
61 | not be used to transport materials found to be hazardous for the  
62 | purposes of the Hazardous Materials Transportation Authorization  
63 | Act of 1994, as amended, 49 U.S.C. ss. 5101 et seq.; or

64 |       b. The lessee or other operator of the commercial motor  
65 | vehicle has in effect insurance with limits of at least  
66 | \$5,000,000 combined property damage and bodily injury liability.

67 |       3. The lessee under any agreement to rent or lease a motor  
68 | vehicle for a period of less than 1 year shall obtain motor  
69 | vehicle liability insurance covering the lessee and all  
70 | permissive users of the motor vehicle with limits of \$100,000  
71 | per person and \$300,000 per incident for bodily injury liability  
72 | and \$50,000 for property damage liability arising out of the use  
73 | of the motor vehicle and motor vehicle liability insurance  
74 | covering economic damages in excess of those limits with a limit  
75 | of \$500,000 for combined bodily injury liability and property  
76 | damage liability arising out of the use of the motor vehicle. A  
77 | lessor may not enter into such an agreement with a lessee if the  
78 | lessee has not obtained such insurance. A lessor under such an  
79 | agreement shall ensure that the lessee has obtained such  
80 | coverage and, if appropriately licensed under s. 626.321(1)(d),  
81 | may offer and sell primary motor vehicle liability insurance  
82 | meeting the requirements of this subparagraph together with and  
83 | incidental to the agreement to rent or lease the motor vehicle  
84 | and may charge a fee not to exceed 35 percent of the premium for

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85 each policy sold if the lessor is authorized by the insurer to  
86 bind the insurance and to act as the insurer's agent for the  
87 purposes of receiving payment of the premium and adjusting  
88 claims made under such insurance. A lessor that complies with  
89 this subparagraph by selling insurance as provided under this  
90 subparagraph is immune from claims based solely upon the  
91 dangerous instrumentality doctrine for the use, operation, or  
92 ownership of the insured motor vehicle.

93 Section 2. This act shall take effect July 1, 2009, and  
94 shall apply to any agreement to rent or lease a motor vehicle  
95 for a period of less than 1 year commencing on or after July 1,  
96 2009.