

By Senator Peaden

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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
9 leasing to a lessee without having such insurance;
10 authorizing certain lessors to offer and sell certain
11 insurance; authorizing such lessors to charge a fee
12 under certain circumstances; specifying absence of
13 lessor liability under certain circumstances;
14 providing application; 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. do
28 not apply to an owner of motor vehicles that are used for
29 commercial activity in the owner's ordinary course of business,

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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 subsidiary
40 of the same parent company as that of the renting or leasing
41 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
57 required pursuant to such act to carry placards warning others
58 of the hazardous cargo, unless at the time of lease or rental

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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
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

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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 applies to any agreement to rent or lease a motor vehicle for a
95 period of less than 1 year commencing on or after July 1, 2009.