

1 A bill to be entitled
 2 An act relating to insurance for rented or leased
 3 motor vehicles; amending s. 322.38, F.S.; providing
 4 definitions; prohibiting a rental company from renting
 5 motor vehicles to certain persons; providing that
 6 certain actions by a rental company constitute
 7 negligent entrustment; providing duties of rental
 8 companies relating to recordkeeping and insurance
 9 coverage; authorizing certain rental companies to sell
 10 liability insurance coverage for rental vehicles;
 11 providing construction; amending s. 626.321, F.S.;
 12 conforming provisions; providing an effective date.

13
 14 Be It Enacted by the Legislature of the State of Florida:

15
 16 Section 1. Section 322.38, Florida Statutes, is amended to
 17 read:

18 322.38 Renting motor vehicle to another.—

19 (1) As used in this section, the term:

20 (a) "Nonresident" means a person who is not a resident of
 21 this state.

22 (b) "Operator" means a person who is in actual physical
 23 control of a motor vehicle.

24 (c) "Rental company" means an entity that is engaged in
 25 the trade or business of renting or leasing motor vehicles. The
 26 term includes:

27 1. A related rental or leasing company that is a
 28 subsidiary of the same parent company as that of the renting or
 29 leasing company that rented or leased the vehicle.

30 2. The holder of a motor vehicle title or an equity
 31 interest in a motor vehicle title if the title or equity
 32 interest is held pursuant to or to facilitate an asset-backed
 33 securitization of a fleet of motor vehicles used solely in the
 34 business of renting or leasing motor vehicles to the general
 35 public and under the dominion and control of a rental company in
 36 the operation of such rental company's business.

37 (d) "Rental vehicle" means a motor vehicle, as defined in
 38 s. 324.022, that is rented or leased to a person by a rental
 39 company in this state for less than 1 year.

40 (2)(1) A rental company may not ~~No person shall rent or~~
 41 lease a rental motor vehicle to a any other person unless that
 42 person has a valid Florida driver license ~~the latter person is~~
 43 ~~then duly licensed,~~ or, if the person is a nonresident, is he or
 44 ~~she shall be~~ licensed under the laws of the state or country of
 45 his or her residence. This subsection does not apply to, except
 46 a nonresident whose home state or country does not require that
 47 an operator be licensed.

48 (3)(2) A rental company may not ~~No person shall rent or~~
 49 lease a rental motor vehicle to a person another until the
 50 rental company he or she has inspected the driver license of the
 51 person to whom the vehicle is to be rented or leased, ~~and has~~
 52 compared and verified the signature thereon with the signature

53 of such person written in the rental company's ~~his or her~~
54 presence. If a rental company rents or leases a rental vehicle
55 in violation of subsection (2) and the rental company did not
56 comply with this subsection or the rental company knew or should
57 have known an operator lacked a valid license, the rental
58 company's rental or lease of the rental vehicle shall constitute
59 negligent entrustment.

60 (4) ~~(3)~~ Every rental company ~~person~~ renting or leasing a
61 rental ~~motor~~ vehicle to a person ~~another~~ shall keep a record of
62 the registration number of the rental ~~motor~~ vehicle ~~so rented,~~
63 the name and address of the person to whom the vehicle is rented
64 or leased, the person's driver license number ~~of the license of~~
65 ~~said latter person,~~ and the date and place when and where the
66 person's driver ~~said~~ license was issued. Such record shall be
67 open to inspection by any police officer~~,~~ or officer or employee
68 of the department.

69 (5) A rental company may not rent or lease a rental
70 vehicle to a person unless a policy of insurance provides
71 liability coverage for the rental vehicle as provided in
72 subsection (6). If a rental company rents or leases a rental
73 vehicle to a person in violation of this subsection, the rental
74 company's rental or lease of the rental vehicle shall constitute
75 negligent entrustment.

76 (6) The policy of insurance required for a rental company
77 to avoid liability for negligent entrustment shall protect every
78 renter, lessee, and authorized operator of the rental vehicle

79 from liability arising out of the maintenance, operation, or use
80 of the rental vehicle:

81 (a) In the amount of \$100,000 for bodily injury to, or
82 death of, one person in any accident;

83 (b) In the amount of \$300,000 for bodily injury to, or
84 death of, two or more persons in any one accident; and

85 (c) In the amount of \$50,000 for injury to, or destruction
86 of, property of others in any one accident.

87 (7) A rental company that has, or usually keeps, an office
88 for transaction of its customary business in this state, if
89 appropriately licensed under s. 626.321(1)(d), may offer and
90 sell primary motor vehicle liability insurance meeting the
91 requirements of subsection (6) together with and incidental to
92 the agreement to rent or lease the rental vehicle. The rental
93 company may charge a fee not to exceed 35 percent of the premium
94 for each policy sold if the rental company is authorized by the
95 insurer to bind the insurance and to act as the insurer's agent
96 for the purposes of receiving payment of the premium and
97 adjusting claims made under such insurance.

98 (8) This section does not eliminate or reduce any existing
99 remedy or cause of action against a rental company provided
100 under any other statute or pursuant to the common law of this
101 state.

102 Section 2. Paragraph (d) of subsection (1) of section
103 626.321, Florida Statutes, is amended to read:

104 626.321 Limited licenses.—

105 (1) The department shall issue to a qualified applicant a
 106 license as agent authorized to transact a limited class of
 107 business in any of the following categories of limited lines
 108 insurance:

109 (d) Motor vehicle rental insurance.—

110 1. License covering only insurance of the risks set forth
 111 in this paragraph when offered, sold, or solicited with and
 112 incidental to the rental or lease of a motor vehicle and which
 113 applies only to the motor vehicle that is the subject of the
 114 lease or rental agreement and the occupants of the motor
 115 vehicle:

116 a. Excess motor vehicle liability insurance providing
 117 coverage in excess of the standard liability limits provided by
 118 the lessor in the lessor's lease to a person renting or leasing
 119 a motor vehicle from the licensee's employer for liability
 120 arising in connection with the negligent operation of the leased
 121 or rented motor vehicle.

122 b. Insurance covering the liability of the lessee to the
 123 lessor for damage to the leased or rented motor vehicle.

124 c. Insurance covering the loss of or damage to baggage,
 125 personal effects, or travel documents of a person renting or
 126 leasing a motor vehicle.

127 d. Insurance covering accidental personal injury or death
 128 of the lessee and any passenger who is riding or driving with
 129 the covered lessee in the leased or rented motor vehicle.

130 e. Insurance providing liability coverage as provided in

131 s. 322.38(6) and (7).

132 2. Insurance under a motor vehicle rental insurance
133 license may be issued only if the lease or rental agreement is
134 for less than 1 year ~~no more than 60 days~~, the lessee is not
135 provided coverage for more than 364 ~~60~~ consecutive days per
136 lease period, and the lessee is given written notice that his or
137 her personal insurance policy providing coverage on an owned
138 motor vehicle may provide coverage of such risks and that the
139 purchase of the insurance is not required in connection with the
140 lease or rental of a motor vehicle. If the lease is extended
141 beyond 364 ~~60~~ days, the coverage may be extended one time only
142 for a period not to exceed an additional 60 days. Insurance may
143 be provided to the lessee as an additional insured on a policy
144 issued to the licensee's employer.

145 3. The license may be issued only to the full-time
146 salaried employee of a licensed general lines agent or to a
147 rental company as defined in s. 322.38 ~~business entity that~~
148 ~~offers motor vehicles for rent or lease~~ if insurance sales
149 activities authorized by the license are in connection with and
150 incidental to the rental or lease of a motor vehicle.

151 a. A license issued to a rental company as defined in s.
152 322.38 ~~business entity that offers motor vehicles for rent or~~
153 ~~lease~~ encompasses each office, branch office, employee,
154 authorized representative located at a designated branch, or
155 place of business making use of the company's ~~entity's~~ business
156 name in order to offer, solicit, and sell insurance pursuant to

157 | this paragraph.

158 | b. The application for licensure must list the name,
159 | address, and telephone ~~phone~~ number for each office, branch
160 | office, or place of business that is to be covered by the
161 | license. The licensee shall notify the department of the name,
162 | address, and telephone ~~phone~~ number of any new location that is
163 | to be covered by the license before the new office, branch
164 | office, or place of business engages in the sale of insurance
165 | pursuant to this paragraph. The licensee must notify the
166 | department within 30 days after closing or terminating an
167 | office, branch office, or place of business. Upon receipt of the
168 | notice, the department shall delete the office, branch office,
169 | or place of business from the license.

170 | c. A licensed and appointed entity is directly responsible
171 | and accountable for all acts of the licensee's employees.

172 | Section 3. This act shall take effect July 1, 2016.