

By Senator Flores

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1 A bill to be entitled
2 An act relating to renting or leasing motor vehicles;
3 amending s. 322.38, F.S.; providing that an owner or
4 its affiliate must comply with certain conditions
5 relating to insurance when renting or leasing a motor
6 vehicle to a nonresident; requiring the owner or its
7 affiliate to ensure that such renter or lessee is
8 covered by insurance; authorizing the owner or its
9 affiliate to provide coverage under certain
10 circumstances; providing minimum liability coverage
11 limits; providing a limit on coverage duration;
12 specifying an owner's liability for noncompliance;
13 amending s. 626.321, F.S.; extending the length of a
14 lease or rental agreement for which motor vehicle
15 rental insurance may be issued; revising a requirement
16 relating to a written notice provided to a lessee;
17 providing an effective date.

18
19 Be It Enacted by the Legislature of the State of Florida:

20
21 Section 1. Section 322.38, Florida Statutes, is amended to
22 read:

23 322.38 Renting motor vehicle to another; insurance
24 requirements for renting or leasing to a nonresident.-

25 (1) No person shall rent a motor vehicle to any other
26 person unless the latter person is then duly licensed, or if a
27 nonresident he or she shall be licensed under the laws of the
28 state or country of his or her residence, except a nonresident
29 whose home state or country does not require that an operator be
30 licensed.

31 (2) No person shall rent a motor vehicle to another until
32 he or she has inspected the driver license of the person to whom

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33 the vehicle is to be rented, and compared and verified the
34 signature thereon with the signature of such person written in
35 his or her presence.

36 (3) Every person renting a motor vehicle to another shall
37 keep a record of the registration number of the motor vehicle so
38 rented, the name and address of the person to whom the vehicle
39 is rented, the number of the license of said latter person, and
40 the date and place when and where the said license was issued.
41 Such record shall be open to inspection by any police officer,
42 or officer or employee of the department.

43 (4) An owner or an affiliate of the owner engaged in the
44 trade or business of renting or leasing motor vehicles may not
45 rent or lease a motor vehicle to a nonresident unless all of the
46 following apply:

47 (a) The owner or its affiliate has verified that the
48 nonresident or any permissive user of the motor vehicle is
49 covered by liability insurance for damages resulting from
50 negligence in the use of the motor vehicle. The owner or its
51 affiliate may provide such coverage to the nonresident and may
52 charge for such coverage if the amount of such charge is
53 separately set forth in an agreement. The owner or its affiliate
54 has a continuing duty to ensure that the nonresident is covered
55 by insurance consistent with this subsection.

56 (b) The insurance required in paragraph (a) must have
57 minimum liability coverage limits of \$100,000 per person and
58 \$300,000 per incident for bodily injury, and \$50,000 for
59 property damage.

60 (c) Notwithstanding s. 627.7275(2)(b), the insurance may
61 only provide coverage for a motor vehicle that is rented or

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62 leased by the nonresident for only up to 1 year.

63 (5) An owner's or its affiliate's failure to comply with
64 the requirements in subsection (4) constitutes negligent
65 entrustment of the motor vehicle and subjects the owner to
66 liability for damages up to \$100,000 per person and \$300,000 per
67 incident for bodily injury, and up to \$50,000 for property
68 damage caused by negligence of the nonresident or permissive
69 user in the use of the motor vehicle. This subsection does not
70 affect the liability of the owner or an affiliate of the owner
71 for any other negligence.

72 Section 2. Paragraph (d) of subsection (1) of section
73 626.321, Florida Statutes, is amended to read:

74 626.321 Limited licenses.—

75 (1) The department shall issue to a qualified applicant a
76 license as agent authorized to transact a limited class of
77 business in any of the following categories of limited lines
78 insurance:

79 (d) *Motor vehicle rental insurance.*—

80 1. License covering only insurance of the risks set forth
81 in this paragraph when offered, sold, or solicited with and
82 incidental to the rental or lease of a motor vehicle and which
83 applies only to the motor vehicle that is the subject of the
84 lease or rental agreement and the occupants of the motor
85 vehicle:

86 a. Excess motor vehicle liability insurance providing
87 coverage in excess of the standard liability limits provided by
88 the lessor in the lessor's lease to a person renting or leasing
89 a motor vehicle from the licensee's employer for liability
90 arising in connection with the negligent operation of the leased

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91 or rented motor vehicle.

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

94 c. Insurance covering the loss of or damage to baggage,
95 personal effects, or travel documents of a person renting or
96 leasing a motor vehicle.

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

100 2. Insurance under a motor vehicle rental insurance license
101 may be issued only if the lease or rental agreement is for less
102 ~~no more~~ than 1 year ~~60 days~~, the lessee is not provided coverage
103 for more than 364 ~~60~~ consecutive days per lease period, and the
104 lessee is given written notice that his or her personal
105 insurance policy providing coverage on an owned motor vehicle
106 may provide coverage of such risks and that the purchase of the
107 insurance is not required in connection with the lease or rental
108 of a motor vehicle unless insurance is required under s.
109 324.021(9)(b). If the lease is extended beyond 364 ~~60~~ days, the
110 coverage may be extended once ~~one time only~~ for a period not to
111 exceed an additional 364 ~~60~~ days. Insurance may be provided to
112 the lessee as an additional insured on a policy issued to the
113 licensee's employer.

114 3. The license may be issued only to the full-time salaried
115 employee of a licensed general lines agent or to a business
116 entity that offers motor vehicles for rent or lease if insurance
117 sales activities authorized by the license are in connection
118 with and incidental to the rental or lease of a motor vehicle.

119 a. A license issued to a business entity that offers motor

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120 vehicles for rent or lease encompasses each office, branch
121 office, employee, authorized representative located at a
122 designated branch, or place of business making use of the
123 entity's business name in order to offer, solicit, and sell
124 insurance pursuant to this paragraph.

125 b. The application for licensure must list the name,
126 address, and phone number for each office, branch office, or
127 place of business that is to be covered by the license. The
128 licensee shall notify the department of the name, address, and
129 phone number of any new location that is to be covered by the
130 license before the new office, branch office, or place of
131 business engages in the sale of insurance pursuant to this
132 paragraph. The licensee must notify the department within 30
133 days after closing or terminating an office, branch office, or
134 place of business. Upon receipt of the notice, the department
135 shall delete the office, branch office, or place of business
136 from the license.

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

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