

INSURANCE - RENTED AND LEASED MOTOR VEHICLES

Act of Jul. 9, 1987, P.L. 242, No. 45

Cl. 40

AN ACT

Prohibiting certain benefit exclusions for rented and leased motor vehicles; imposing requirements on persons engaged in the rental of motor vehicles; and imposing liability for failure to comply.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Limitation on exclusion of certain benefits under insurance policies or self-insurance arrangements covering rented or leased motor vehicles.

No motor vehicle rented or leased from any location in this Commonwealth may be covered by an insurance policy or self-insurance arrangement which excludes benefits if the lessee or any other authorized driver is involved in a vehicular accident while under the influence of drugs or intoxicating beverages at the time of the accident.

Section 2. Duty of lessor of motor vehicles.

It shall be the duty of the lessor of motor vehicles to ensure that, in the event the rented motor vehicle is not returned during the contracted rental period, all liability or first party coverage continues until such time as the motor vehicle is reported to the police as stolen.

Section 3. Liability of motor vehicle lessor.

Failure of a person engaged in the rental of motor vehicles to comply with sections 1 and 2 shall, as a matter of law, render such person responsible for the mandated minimum limits of financial responsibility set forth in the Motor Vehicle Financial Responsibility Law arising out of the use of the motor vehicle for which the lessee would otherwise be responsible.

Section 4. Application of Consumer Protection Law.

A violation of this act constitutes a violation of the act of December 17, 1968 (P.L.1224, No.387), known as the Unfair Trade Practices and Consumer Protection Law.

Section 5. Effective date.

This act shall take effect in 90 days.