

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 310

Session of
1987

INTRODUCED BY STABACK, MANDERINO, BURNS, HALUSKA, TIGUE,
KOSINSKI, YANDRISEVITS, PISTELLA, BORTNER, JOSEPHS, McCALL,
COLAFELLA, BELARDI, HOWLETT, LAUGHLIN, CAPPABIANCA AND
JAROLIN, FEBRUARY 11, 1987

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, FEBRUARY 11, 1987

AN ACT

1 Requiring persons engaged in the rental of motor vehicles who
2 arrange liability coverage for the lessee to ensure that
3 certain coverage is included; imposing liability for failure
4 to do so; and regulating collision damage waiver provisions
5 of rental agreements.

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

8 Section 1. Limitation on exclusion of certain benefits under
9 insurance policies covering motor vehicle rental
10 agreements.

11 No motor vehicle rented or leased from any location in this
12 Commonwealth may be insured by an insurance policy which
13 excludes insurance benefits if the lessee causes a vehicular
14 accident while under the influence of drugs or intoxicating
15 beverages at the time of the accident.

16 Section 2. Duty of lessor of motor vehicle who arranges
17 liability insurance coverage.

18 Any person engaged in the rental of motor vehicles from

1 locations in this Commonwealth who, at the time of rental,
2 arranges liability insurance coverage for the lessee shall have
3 a duty to ensure that the arranged insurance contract does not
4 deny coverage in the event that the ability of the driver has
5 been impaired by drugs or alcohol. It shall be the further duty
6 of the lessor to ensure that, in the event the rented motor
7 vehicle is not returned during the contracted rental period, the
8 arranged liability insurance coverage for the lessee and any
9 other liability insurance on the rented vehicle continues until
10 such time as the motor vehicle is reported to the police as
11 stolen.

12 Section 3. Liability of motor vehicle lessor.

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

19 Section 4. Restrictions on collision damage waivers as part of
20 motor vehicle rental agreements.

21 No person engaged in the business of renting motor vehicles
22 from locations in this Commonwealth shall issue or deliver in
23 this Commonwealth, separate from or as part of a motor vehicle
24 rental agreement, a collision damage waiver whereby the lessor
25 agrees, for a charge, to waive any and all claims against the
26 lessee for any damage caused to the rented vehicle during the
27 term of the rental agreement unless:

28 (1) The collision damage waiver is written in simple and
29 readable words with common meanings and is understandable.

30 (2) The terms of the collision damage waiver are

1 prominently displayed, including, but not limited to, any
2 conditions and exclusions applicable to the collision damage
3 waiver. The collision damage waiver may exclude damage caused
4 intentionally by the lessee or as a result of his or her
5 willful or wanton misconduct.

6 (3) The collision damage waiver includes a statement of
7 the daily charge.

8 (4) The agreement containing the collision damage waiver
9 displays the following notice on the face of the agreement,
10 set apart and in boldface type and in no smaller print than
11 ten-point type:

12 NOTICE: By signing this contract you may become
13 absolutely responsible for any damage to the vehicle,
14 even if you are not at fault.

15 Before deciding to purchase a collision damage
16 waiver, you may wish to determine whether your own
17 automobile insurance provides you coverage for damage to
18 the rental vehicle. The purchase of a collision damage
19 waiver is not mandatory.

20 Section 5. Application of Consumer Protection Law.

21 A violation of section 4 constitutes a violation of the act
22 of December 17, 1968 (P.L.1224, No.387), known as the Unfair
23 Trade Practices and Consumer Protection Law.

24 Section 6. Effective date.

25 This act shall take effect in 180 days.