
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 904 Session of
2019

INTRODUCED BY STEFANO, BROWNE, LANGERHOLC, TARTAGLIONE, KILLION
AND BLAKE, OCTOBER 31, 2019

REFERRED TO CONSUMER PROTECTION AND PROFESSIONAL LICENSURE,
OCTOBER 31, 2019

AN ACT

1 Amending Titles 40 (Insurance) and 75 (Vehicles) of the
2 Pennsylvania Consolidated Statutes, providing for vehicles;
3 and, in financial responsibility, providing for group
4 insurance for private vehicle rental programs.

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

7 Section 1. Title 40 of the Pennsylvania Consolidated
8 Statutes is amended by adding a part to read:

9 PART I-A

10 VEHICLES

11 Chapter

12 11. Vehicle Rentals

13 CHAPTER 11

14 VEHICLE RENTALS

15 Subchapter

16 A. General Provisions

17 B. Procedures

18 SUBCHAPTER A

1 "Private motor vehicle" or "vehicle." The following:

2 (1) A motor vehicle, as defined in 75 Pa.C.S. § 102
3 (relating to definitions), which:

4 (i) Has a gross weight rating of 10,000 pounds or
5 less.

6 (ii) Is not used for the commercial delivery or
7 transportation of goods or materials.

8 (iii) Is owned by and registered to an individual.

9 (iv) Is insured, or subject to being insured, under
10 a personal automobile liability insurance policy insuring
11 a single individual or individuals residing in the same
12 household as the named insured or insureds.

13 (2) The term does not include any of the following:

14 (i) A motor vehicle with fewer than four wheels.

15 (ii) A motor vehicle owned by a corporation, sole
16 proprietorship or other person or entity engaged in the
17 business of renting five or more rental vehicles in this
18 Commonwealth.

19 "Private passenger motor vehicle." As defined in 75 Pa.C.S.
20 § 1702 (relating to definitions).

21 "Private vehicle rental." The use of a private motor vehicle
22 by a person other than a registered owner of the vehicle in
23 connection with a private vehicle rental program.

24 "Private vehicle rental program." A means, digital or
25 otherwise, by which a private vehicle rental is facilitated by a
26 program provider.

27 "Program provider." The corporation, sole proprietorship or
28 other person or entity that is responsible for operating,
29 facilitating or administering vehicle rental transactions
30 through a private vehicle rental program.

1 "Rental period." The period of time when a renter takes
2 possession and control of a vehicle for private vehicle rental.
3 The term includes the time when the vehicle is under the control
4 of the program provider and continues until the following
5 conditions are met:

6 (1) The vehicle is:

7 (i) retrieved by an owner of the vehicle or a
8 designee of an owner of the vehicle;

9 (ii) returned to a location agreed upon by the
10 renter and an owner of the vehicle; or

11 (iii) returned to a location designated by the
12 program provider.

13 (2) Any of the following occurs:

14 (i) The time period established through the private
15 vehicle rental program expires.

16 (ii) The renter verifiably communicates to the
17 program provider or an owner of the vehicle that the
18 renter deems the rental period terminated.

19 (iii) The program provider or an owner of the
20 vehicle takes possession and control of the vehicle.

21 "Renter." A person, other than an owner, who rents the
22 owner's private motor vehicle through a private vehicle rental
23 program.

24 "Vehicle rental transaction." The transfer of possession of
25 a motor vehicle, for a consideration, without the transfer of
26 ownership of the motor vehicle.

27 SUBCHAPTER B

28 PROCEDURES

29 Sec.

30 1111. Requirements for vehicle rental transactions.

1 1112. Requirements and limitations for vehicle rental.

2 1113. Liability.

3 1114. Group insurance for private vehicle rental programs.

4 1115. Enabling operation at airport.

5 § 1111. Requirements for vehicle rental transactions.

6 (a) Compliance.--A vehicle rental transaction facilitated by
7 a program provider shall be subject to all statutory and
8 regulatory obligations, taxes, fees and other charges for
9 private passenger motor vehicles, transactions and companies,
10 including, but not limited to, compliance with the following:

11 (1) Section 2398 of the act of August 9, 1955 (P.L.323,
12 No.130), known as The County Code.

13 (2) Section 1602-A of the act of March 4, 1971 (P.L.6,
14 No.2), known as the Tax Reform Code of 1971.

15 (3) The act of July 9, 1987 (P.L.242, No.45), entitled
16 "An act prohibiting certain benefit exclusions for rented and
17 leased motor vehicles; imposing requirements on persons
18 engaged in the rental of motor vehicles; and imposing
19 liability for failure to comply."

20 (4) 53 Pa.C.S. § 8602(b)(1)(ii) (relating to local
21 financial support).

22 (5) 74 Pa.C.S. § 5933(a) (relating to customer facility
23 charge).

24 (6) 75 Pa.C.S. § 1731 (relating to availability, scope
25 and amount of coverage).

26 (7) 61 Pa. Code § 47.20(c)(1) (relating to vehicle
27 rental tax).

28 (8) 67 Pa. Code § 63.34 (relating to rental vehicles).

29 (b) Timeliness.--A notice or disclosure required to be
30 provided, delivered, posted or otherwise made available by a

1 motor vehicle rental company shall be deemed timely and
2 effectively made if the notice or disclosure is provided or
3 delivered electronically at or before the time required or
4 included in a master or member agreement in effect at the time
5 of the vehicle rental. For purposes of this subsection, a master
6 or member agreement shall include, but not be limited to, a
7 service:

8 (1) which is offered by a company that permits customers
9 to bypass a retail service location and obtain a product or
10 service directly;

11 (2) where the rental company does not require the renter
12 to execute a rental agreement at the time of rental; or

13 (3) where the renter does not receive the rental terms
14 and conditions at the time of rental.

15 (c) Acceptance.--The following shall apply:

16 (1) Electronic or written acceptance shall be deemed a
17 valid form of acceptance of a notice or disclosure.

18 (2) Acceptance shall remain effective until the time
19 that the acceptance is affirmatively withdrawn by the renter.

20 (3) A notice or disclosure made under this chapter shall
21 be exempt from placement or stylistic display requirements,
22 including, but not limited to, location, font size, typeset
23 or other specifically stated description, if the notice or
24 disclosure is generally consistent in appearance with the
25 entirety of the communication in which it is contained.

26 § 1112. Requirements and limitations for vehicle rental.

27 (a) Conditions.--A vehicle which is insured, or subject to
28 being insured, by a registered owner of a vehicle under 75
29 Pa.C.S. Ch. 17 (relating to financial responsibility) may not be
30 classified as a commercial vehicle, for-hire vehicle,

1 permissive-use vehicle, taxicab or livery solely because the
2 registered owner allows the vehicle to be used for vehicle
3 rental, if all of the following circumstances apply:

4 (1) The vehicle rental complies with a private vehicle
5 rental program.

6 (2) The program provider or an owner of the vehicle does
7 not knowingly place the vehicle, or allow the vehicle to be
8 placed, into use as a commercial vehicle or as a for-hire
9 vehicle by a renter while the vehicle is used for vehicle
10 rental.

11 (3) The number of vehicles in which a single individual,
12 or multiple individuals residing in the same household, has
13 enrolled in a private vehicle rental program or combination
14 of private vehicle rental programs does not exceed four.

15 (b) Insurance coverage.--A vehicle liability insurance
16 company may cancel or refuse coverage to an owner solely due to
17 the number of vehicles enrolled in a private vehicle rental
18 program, if the number of vehicles enrolled in a private vehicle
19 rental program or combination of private vehicle rental programs
20 either by the insured or in combination with other household
21 residents exceeds four.

22 (c) Duties of program provider.--A program provider shall,
23 for each vehicle for which the program provider facilitates the
24 vehicle rental, do all of the following:

25 (1) During the rental period for a vehicle engaged in
26 vehicle rental, procure group insurance coverage for each
27 vehicle and each authorized driver of the vehicle. The
28 insurance shall, at a minimum, provide the following for each
29 vehicle:

30 (i) Liability coverage at least equal to the minimum

1 financial responsibility for private passenger motor
2 vehicles of the state in which the vehicle is registered.

3 (ii) Property and casualty coverage, including
4 comprehensive and collision protection, as described in
5 section 1114(b) and (c) (relating to group insurance for
6 private vehicle rental programs).

7 (2) Provide the registered owner of the vehicle engaged
8 in vehicle rental with suitable proof of compliance with the
9 insurance requirements of this section and 75 Pa.C.S. Ch. 17,
10 a copy of which shall be maintained in the vehicle by the
11 owner during any time when the vehicle is operated by a
12 renter or person other than the owner under a private vehicle
13 rental program.

14 (3) Not permit the vehicle to be operated for commercial
15 use or as a for-hire vehicle by a renter while engaged in
16 vehicle rental.

17 (4) Provide to each renter for each vehicle rental
18 transaction under the private vehicle rental program, at the
19 time of each rental, the following:

20 (i) Access to an insurance identification card
21 approved for use by the state in which the vehicle is
22 registered or other documentation which:

23 (A) Is able to be carried in the vehicle at all
24 times during the rental period.

25 (B) Proves the insurance coverage described
26 under paragraph (1) is in full force and effect.

27 (ii) The means, via a toll-free telephone number, e-
28 mail address or other form of communication with a law
29 enforcement officer, a representative of the department
30 of motor vehicles or other officer of the state in which

1 the vehicle is registered or a political subdivision of
2 the state, to confirm in real time that insurance
3 coverage provided for under paragraph (1) is in full
4 force and effect.

5 (iii) A copy, in paper or digital format, of the
6 complete terms and conditions of the rental vehicle
7 transaction, including the terms and conditions of all
8 additional products and the renter's acceptance or
9 declination of each additional product.

10 (5) Require that every vehicle made available for
11 vehicle rental comply with the minimum financial
12 responsibility requirements of the state in which the vehicle
13 is registered.

14 (6) If a vehicle made available for private rental is
15 subject to lease or lien, notify the lessor or lienholder
16 that the vehicle is being made available for private rental
17 and pay any compensation for damage or loss covered by
18 comprehensive and collision coverage required under paragraph
19 (1) to the lessor or lienholder.

20 (7) Require that every vehicle used in a private vehicle
21 rental program is a vehicle as defined in section 1102
22 (relating to definitions).

23 (8) Facilitate the installation, operation and
24 maintenance of the program provider's signage and computer
25 hardware and software to the extent necessary for the vehicle
26 to be used in the private vehicle rental program.

27 (9) Indemnify and hold harmless the owner for the cost
28 of damage or theft of equipment installed by the program
29 provider under paragraph (7) for damage caused to the vehicle
30 by the installation, operation or maintenance of the

1 equipment.

2 (10) Collect, maintain and make available to a
3 government agency as required by law, at the cost of the
4 private vehicle rental program, the owner's primary motor
5 vehicle liability insurer, the renter's primary automobile,
6 excess or umbrella insurer and the following information
7 pertaining to incidents that occurred during any rental
8 period:

9 (i) Verifiable records of the rental period for each
10 vehicle, which shall include the following:

11 (A) To the extent electronic equipment for
12 monitoring is installed in the vehicle, verifiable
13 electronic records of the initial and final locations
14 of the vehicle and the times of each.

15 (B) To the extent mileage information is
16 collected, miles driven.

17 (ii) In instances where an insurance claim has been
18 filed with a group insurer, any information relevant to
19 the claim, including payments by the program provider
20 concerning accidents, damages and injuries.

21 (11) Ensure that, prior to the first use or operation of
22 a vehicle under enrollment in a private vehicle rental
23 program, the owner and renter are given notice of the
24 following:

25 (i) During the rental period, the owner's insurer
26 may exclude coverage afforded by a policy and may notify
27 an insured that the insurer has no duty to defend or
28 indemnify a person or organization for liability for loss
29 that occurs during the rental period.

30 (ii) The group policy and physical damage coverage

1 contract may not provide coverage outside of the rental
2 period.

3 (12) Comply with all statutory and regulatory
4 obligations for private passenger motor vehicle rental,
5 including, but not limited to, compliance with the following:

6 (i) Section 2398 of the August 9, 1955 (P.L.323,
7 No.130), known as The County Code.

8 (ii) The act of July 9, 1987 (P.L.242, No.45),
9 entitled "An act prohibiting certain benefit exclusions
10 for rented and leased motor vehicles; imposing
11 requirements on persons engaged in the rental of motor
12 vehicles; and imposing liability for failure to comply."

13 (iii) 53 Pa.C.S. § 8602(b)(1)(ii) (relating to local
14 financial support).

15 (iv) 74 Pa.C.S. § 5933(a) (relating to customer
16 facility charge).

17 (v) 75 Pa.C.S. § 1731 (relating to availability,
18 scope and amount of coverage).

19 (vi) 61 Pa. Code § 47.20(c)(1) (relating to vehicle
20 rental tax).

21 (vii) 67 Pa. Code § 63.34 (relating to rental
22 vehicles).

23 § 1113. Liability.

24 (a) Deemed ownership.--Notwithstanding any other provision
25 of law or any provision in a private passenger motor vehicle
26 owner's automobile insurance policy, in the event of a loss or
27 injury that occurs during the rental period or while the vehicle
28 is otherwise under the control of a program provider, the
29 program provider shall be deemed the owner of the vehicle under
30 75 Pa.C.S. § 1574 (relating to permitting unauthorized person to

1 drive) and any other law that may impose liability upon an owner
2 of a private passenger motor vehicle solely based on the
3 ownership, as if the program provider were the registered owner
4 of the vehicle. The program provider shall retain the liability
5 irrespective of a lapse in group policy or an insurance policy
6 under which the private vehicle rental program is insured or
7 whether the liability is covered under the group policy or an
8 insurance policy under which the private vehicle rental program
9 is insured.

10 (b) Program provider group policy.--A program provider's
11 group policy shall provide coverage during the rental period for
12 an owner's vehicle.

13 (c) Liability, indemnification and notice.--An insurer
14 providing group liability insurance to the private vehicle
15 rental program under section 1114(a) (relating to group
16 insurance for private vehicle rental programs) and group
17 physical damage insurance to the private vehicle rental program
18 under section 1114(c) shall assume liability for a claim in
19 which a dispute exists regarding who was in control of the
20 vehicle when the loss giving rise to the claim occurred. The
21 following shall apply:

22 (1) The owner's passenger motor vehicle insurer shall
23 indemnify the private vehicle rental program's group insurer,
24 to the extent of its obligation under the applicable
25 insurance policy, if it is determined that the owner was in
26 control of the vehicle at the time of the loss.

27 (2) The private vehicle rental program shall notify the
28 owner's insurer of a dispute within 10 business days of
29 becoming aware that the dispute exists.

30 (d) Civil action.--If an owner or an owner's insurer is

1 named as a defendant in a civil action for a loss or injury that
2 occurs during a time within the rental period or otherwise under
3 the control of the private vehicle rental program, the private
4 vehicle rental program's group liability insurance insurer under
5 section 1114(a) shall have the duty to defend and indemnify the
6 owner and the owner's insurer, subject to the provisions of
7 subsection (c).

8 (e) Limitations.--Notwithstanding any other provision of law
9 to the contrary, while a vehicle is used by a person other than
10 an owner of the vehicle, under a vehicle rental facilitated
11 through a private vehicle rental program, all of the following
12 shall apply:

13 (1) The insurer of the vehicle may exclude any coverage
14 for liability, uninsured, underinsured, collision physical
15 damage or comprehensive physical damage benefits and first-
16 party benefits that may otherwise be afforded pursuant to the
17 policy.

18 (2) A primary or excess insurer of the owner of the
19 vehicle used in a private vehicle rental program may notify
20 the insured that it has no duty to defend or indemnify a
21 person or organization for liability for a loss that occurs
22 during the rental period of the vehicle in a private vehicle
23 rental program.

24 (f) Prohibitions.--An owner's policy of insurance may not be
25 canceled, voided, terminated, rescinded or nonrenewed solely on
26 the basis that the owner's vehicle has been made available for
27 vehicle rental under a private vehicle rental program that is in
28 compliance with the provisions of this section, subject to the
29 following:

30 (1) The provisions of this subsection shall not pertain

1 to cancellations under section 2004 of the act of May 17,
2 1921 (P.L.682, No.284), known as The Insurance Company Law of
3 1921.

4 (2) An insurer may refuse to enroll a vehicle in a
5 usage-based insurance program where the usage-based insurance
6 program continually monitors usage electronically to
7 determine acceleration, braking, miles driven and other
8 indicia of driving behavior, if that vehicle is used in a
9 private vehicle rental program.

10 (3) An insurer may cancel or nonrenew a policy that
11 insures a vehicle used in a private vehicle rental program if
12 that vehicle is enrolled in a usage-based insurance program
13 described under paragraph (2). The insurer shall immediately
14 offer the insured a new policy with the same coverages and
15 preexisting rates, but without enrollment in the usage-based
16 insurance program.

17 § 1114. Group insurance for private vehicle rental programs.

18 (a) Liability, property and casualty insurance.--The
19 following shall apply:

20 (1) Subject to paragraph (2), an insurer which is
21 authorized or eligible to do business in this Commonwealth
22 may issue, or issue for delivery in this Commonwealth, a
23 group policy of liability, property and casualty insurance to
24 a private vehicle rental program provider to insure the
25 following:

26 (i) The private vehicle rental program.

27 (ii) The renters, authorized drivers and occupants
28 of the vehicle.

29 (iii) The program provider and the agents,
30 employees, directors, officers and assigns of the program

1 provider.

2 (2) The policy under paragraph (1) shall:

3 (i) Provide first-party coverage, liability,
4 property, comprehensive, collision and uninsured and
5 underinsured motorist coverage for the vehicle and the
6 vehicle's authorized operators and occupants for claims
7 and damages resulting from the use or operation of that
8 vehicle during the rental period.

9 (ii) Be primary with respect to any other insurance
10 available to the owner of the vehicle but secondary with
11 respect to any other insurance available to the renter,
12 authorized or permissive operator and occupants of the
13 vehicle.

14 (3) An insurer under this subsection shall comply with
15 75 Pa.C.S. Ch. 17 (relating to financial responsibility).

16 (4) An insurer which issues an insurance policy under
17 this subsection shall issue the insurance policy identifying
18 the private vehicle rental program and program provider as
19 the named insureds. The insurance policy must include the
20 following:

21 (i) Coverage, without prior notice to the insurer,
22 for all vehicles during the rental period.

23 (ii) A provision that the renters, authorized or
24 permissive operators and occupants are included as
25 insureds under the policy to the same extent that they
26 would be insureds under a private passenger motor vehicle
27 policy issued under 75 Pa.C.S. Ch. 17.

28 (5) A group policy under this subsection shall only be
29 issued in accordance with this chapter.

30 (b) Assumption of risk.--A program provider may

1 contractually assume the risk of physical damage loss to
2 vehicles during the time that the vehicles are in custody of the
3 renter or program provider. The following shall apply:

4 (1) Assumption of risk of physical damage loss to the
5 vehicle shall not be deemed to be physical damage insurance.

6 (2) A program provider may offer optional vehicle
7 protection in accordance with 75 Pa.C.S. § 1792 (relating to
8 availability of uninsured, underinsured, bodily injury
9 liability and property damage coverages and mandatory
10 deductibles).

11 (c) Coverage for physical damage.--The following shall
12 apply:

13 (1) An insurer which is authorized or eligible to do
14 business in this Commonwealth may issue a group policy of
15 damage insurance to a private vehicle rental program and to
16 the owners participating in the private vehicle rental
17 program to insure against damage loss to vehicles while the
18 vehicles are in custody of the program or renter. The group
19 policy shall provide primary coverage for physical damage
20 loss through collision or comprehensive coverage, or both, to
21 the vehicle while it is in the custody of the private vehicle
22 rental program or renter.

23 (2) If the group coverage under this subsection is
24 placed with an eligible surplus line insurer, compliance with
25 the surplus line statutes and regulations of this
26 Commonwealth shall be performed with respect to the group as
27 a whole and not with respect to individual group members.

28 (3) An insurer which issues a group policy under this
29 subsection shall issue the policy identifying the private
30 vehicle rental program as the named insurer. The policy shall

1 include the following:

2 (i) Primary coverage, without prior notice to the
3 insurer, for all vehicles during the rental period.

4 (ii) A provision specifying that claims will be
5 adjusted under the act of July 22, 1974 (P.L.589,
6 No.205), known as the Unfair Insurance Practices Act.

7 (iii) Physical damage coverage for damage or loss to
8 the owner's vehicle incurred during the rental period at
9 a level no less than that of third-party physical damage
10 coverage.

11 (4) A group policy under this subsection shall only be
12 issued in accordance with this section.

13 § 1115. Enabling operation at airport.

14 The following apply:

15 (1) A private vehicle rental program shall enter into an
16 airport concession agreement before enabling private vehicle
17 rental at the airport, unless the airport explicitly and in
18 writing waives the right to require an agreement.

19 (2) A private vehicle rental program is enabling private
20 vehicle rental at an airport if the private vehicle rental
21 program or an owner uses the private vehicle rental program
22 to:

23 (i) list vehicles parked on airport property or at
24 airport facilities;

25 (ii) contract for transportation to or from airport
26 facilities;

27 (iii) facilitate the use of a private vehicle rental
28 to transport airport passengers on or off of airport
29 property; or

30 (iv) promote or market a private vehicle rental to

1 transport airport passengers on or off of airport
2 property.

3 (3) An airport concession agreement may impose the taxes
4 and fees that are imposed on other concessionaires operating
5 at the airport.

6 (4) If a private vehicle rental program fails to or
7 refuses to enter into an airport concession agreement, the
8 affected airport may seek an injunction prohibiting the
9 private vehicle rental program from operating at the airport
10 and may seek damages against the private vehicle rental
11 program.

12 Section 2. Title 75 is amended by adding a section to read:
13 § 1799.8. Group insurance for private vehicle rental programs.

14 (a) Insurance requirements.--In the case of a vehicle that
15 is used in connection with a private vehicle rental program, the
16 insurance requirements under this chapter shall be met by a
17 group insurance policy, as specified in 40 Pa.C.S. § 1114
18 (relating to group insurance for private vehicle rental
19 programs), issued to a program provider and the renters and
20 authorized or permissive drivers of the private vehicle rental
21 program for any time that the vehicle is being used in
22 connection with the private vehicle rental program.

23 (b) Proof of financial security.--In the case of financial
24 security procured by a program provider of a private vehicle
25 rental program as specified under 40 Pa.C.S. § 1114, the program
26 provider shall provide the department with proof of financial
27 security in the form of a group insurance policy covering the
28 program provider and the owners of all vehicles registered in
29 this Commonwealth that participate in the private vehicle rental
30 program as insured group members, covering those vehicles while

1 they are being used in conjunction with that private vehicle
2 rental program. The following apply:

3 (1) The proof may not be used in connection with the
4 registration of the vehicles.

5 (2) A vehicle may not be registered unless the owner of
6 the vehicle separately complies with section 1305(d)
7 (relating to application for registration).

8 (c) Definitions.--As used in this section, the following
9 words and phrases shall have the meanings given to them in this
10 subsection unless the context clearly indicates otherwise:

11 "Private vehicle rental program." As defined in 40 Pa.C.S. §
12 1102 (relating to definitions).

13 "Program provider." As defined in 40 Pa.C.S. § 1102.

14 "Renter." As defined in 40 Pa.C.S. § 1102.

15 "Vehicle." As defined in 40 Pa.C.S. § 1102.

16 Section 3. This act shall take effect immediately.