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I N   S E N A T E

June 6, 2012

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Introduced by Sen. LIBOUS -- read twice and ordered printed, and when printed to be committed to the Committee on Transportation

AN ACT to amend the vehicle and traffic law, in relation to increasing the minimum insurance coverage requirements for motor vehicles rented or leased in the state of New York

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     Section 1. Paragraph (a) of subdivision 4 of section 311 of the vehi-  
2     cle and traffic law, as amended by chapter 305 of the laws of 1995, is  
3     amended to read as follows:  
4     (a) Affording coverage as defined in the minimum provisions prescribed  
5     in a regulation which shall be promulgated by the superintendent at  
6     least ninety days prior to effective date of this act. The superinten-  
7     dent before promulgating such regulations or any amendment thereof,  
8     shall consult with all insurers licensed to write automobile liability  
9     insurance in this state and shall not prescribe minimum provisions which  
10    fail to reflect the provisions of automobile liability insurance poli-  
11    cies, other than motor vehicle liability policies as defined in section  
12    three hundred forty-five of this chapter, issued within this state at  
13    the date of such regulation or amendment thereof. Nothing contained in  
14    such regulation or in this article shall prohibit any insurer from  
15    affording coverage under an owner's policy of liability insurance more  
16    liberal than that required by said minimum provisions. Every such  
17    owner's policy of liability insurance shall provide insurance subject to  
18    said regulation against loss from the liability imposed by law for  
19    damages, including damages for care and loss of services, because of  
20    bodily injury to or death of any person and injury to or destruction of  
21    property arising out of the ownership, maintenance, use, or operation of  
22    a specific motor vehicle or motor vehicles within the state of New York,  
23    or elsewhere in the United States in North America or the Dominion of  
24    Canada, subject to a limit, exclusive of interest and costs, with  
25    respect to each such motor vehicle except a tow truck OR A MOTOR VEHICLE  
26    WHICH IS RENTED OR LEASED FROM A PERSON, ORGANIZATION OR BUSINESS REGU-  
27    LARLY ENGAGED IN THE BUSINESS OF RENTING OR LEASING MOTOR VEHICLES TO

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

LBD15517-01-2

1 THE GENERAL PUBLIC, of twenty-five thousand dollars because of bodily  
2 injuries to and fifty thousand dollars because of death of one person in  
3 any one accident and, subject to said limit for one person, to a limit  
4 of fifty thousand dollars because of bodily injury to and one hundred  
5 thousand dollars because of death of two or more persons in any one  
6 accident, and to a limit of ten thousand dollars because of injury to or  
7 destruction of property of others in any one accident provided, however,  
8 that such policy need not be for a period coterminous with the registra-  
9 tion period of the vehicle insured. The limit, exclusive of interest and  
10 costs, with respect to a tow truck shall be a combined single limit of  
11 at least three hundred thousand dollars because of bodily injury or  
12 death to one or more persons or because of injury or destruction of  
13 property of others in any one accident, and to a limit of twenty-five  
14 thousand dollars because of damage to a vehicle in the care, custody and  
15 control of the insured. THE LIMIT, EXCLUSIVE OF INTEREST AND COSTS,  
16 WITH RESPECT TO A MOTOR VEHICLE WHICH IS RENTED OR LEASED FROM A PERSON,  
17 ORGANIZATION OR BUSINESS REGULARLY ENGAGED IN THE BUSINESS OF RENTING OR  
18 LEASING MOTOR VEHICLES TO THE GENERAL PUBLIC, SHALL BE A COMBINED SINGLE  
19 LIMIT OF AT LEAST ONE MILLION DOLLARS BECAUSE OF BODILY INJURY OR DEATH  
20 TO ONE OR MORE PERSONS OR BECAUSE OF INJURY OR DESTRUCTION OF PROPERTY  
21 OF OTHERS IN ANY ONE ACCIDENT, AND TO A LIMIT OF TWENTY-FIVE THOUSAND  
22 DOLLARS BECAUSE OF DAMAGE TO A VEHICLE IN THE CARE, CUSTODY AND CONTROL  
23 OF THE INSURED. Any insurer authorized to issue an owner's policy of  
24 liability insurance as provided for in this article may, pending the  
25 issue of such a policy, make an agreement, to be known as a binder, or  
26 may, in lieu of such a policy, issue a renewal endorsement or evidence  
27 of renewal of an existing policy; each of which shall be construed to  
28 provide indemnity or protection in like manner and to the same extent as  
29 such a policy. The provisions of this article shall apply to such bind-  
30 ers, renewal endorsements or evidences of renewal. Every such policy  
31 issued insuring private passenger vehicles and every renewal policy,  
32 renewal endorsement, or other evidence of renewal issued shall have  
33 attached thereto a rating information form which clearly specifies and  
34 defines the rating classification assigned thereto, including any appli-  
35 cable merit rating plan; and

36 S 2. Section 312 of the vehicle and traffic law is amended by adding a  
37 new subdivision 6 to read as follows:

38 6. (A) NO MOTOR VEHICLE SHALL BE LEASED OR RENTED IN THIS STATE UNLESS  
39 UPON THE REGISTRATION OF THE LEASED OR RENTED MOTOR VEHICLE, THE APPLI-  
40 CATION FOR SUCH REGISTRATION IS ACCOMPANIED BY PROOF OF FINANCIAL SECU-  
41 RITY REQUIRED BY SECTION THREE HUNDRED ELEVEN OF THIS ARTICLE WHICH  
42 SHALL BE EVIDENCED BY PROOF OF INSURANCE OR EVIDENCE OF A FINANCIAL  
43 SECURITY BOND, A FINANCIAL SECURITY DEPOSIT OR QUALIFICATION AS A SELF-  
44 INSURER UNDER SECTION THREE HUNDRED SIXTEEN OF THIS ARTICLE; PROVIDED,  
45 THAT IF DIRECTED BY REGULATION OF THE COMMISSIONER, UPON RENEWAL OF  
46 REGISTRATION AN APPLICATION ACCOMPANIED BY A CERTIFICATE OF REGISTRATION  
47 OR RENEWAL STUB IN FORCE IMMEDIATELY PRECEDING THE DATE OF APPLICATION  
48 FOR RENEWAL, TOGETHER WITH A STATEMENT IN A FORM PRESCRIBED BY THE  
49 COMMISSIONER CERTIFYING THAT THERE IS IN EFFECT PROOF OF FINANCIAL SECU-  
50 RITY, SHALL MEET THE REQUIREMENTS OF THIS SECTION. UPON THE ISSUANCE OR  
51 RENEWAL OF A PRIVATE PASSENGER AUTOMOBILE INSURANCE POLICY SUBJECT TO  
52 THE PROVISIONS OF SECTION THREE THOUSAND FOUR HUNDRED TWENTY-FIVE OF THE  
53 INSURANCE LAW, THE INSURANCE COMPANY SHALL PROVIDE THE INSURED WITH AN  
54 INFORMATIONAL STATEMENT OUTLINING THE LEGAL AND FINANCIAL CONSEQUENCES  
55 OF CONVICTIONS UNDER SECTION ELEVEN HUNDRED NINETY-TWO OF THIS CHAPTER,  
56 PERTAINING TO OPERATING A MOTOR VEHICLE WHILE UNDER THE INFLUENCE OF

1 ALCOHOL OR DRUGS. SUCH INFORMATION SHALL BE SUPPLIED TO THE COMPANY BY  
2 THE STATE INSURANCE DEPARTMENT IN CONSULTATION WITH THE COMMISSIONER.

3 (B) THE OWNER AND REGISTRANT IF THE REGISTRANT IS DIFFERENT FROM THE  
4 OWNER OF SUCH LEASED OR RENTED MOTOR VEHICLE SHALL MAINTAIN PROOF OF  
5 FINANCIAL SECURITY CONTINUOUSLY THROUGHOUT THE REGISTRATION PERIOD AND  
6 HIS FAILURE TO PRODUCE PROOF OF FINANCIAL SECURITY WHEN REQUESTED TO DO  
7 SO UPON DEMAND OF A MAGISTRATE, MOTOR VEHICLE INSPECTOR, PEACE OFFICER,  
8 ACTING PURSUANT TO HIS SPECIAL DUTIES, OR POLICE OFFICER, WHILE SUCH  
9 VEHICLE IS BEING OPERATED UPON THE PUBLIC HIGHWAY, SHALL BE PRESUMPTIVE  
10 EVIDENCE OF OPERATING A MOTOR VEHICLE WITHOUT PROOF OF FINANCIAL SECURI-  
11 TY. UPON THE PRODUCTION OF PROOF OF FINANCIAL SECURITY SUCH PRESUMPTION  
12 IS REMOVED. PRODUCTION OF PROOF OF FINANCIAL SECURITY MAY BE MADE BY  
13 MAILING SUCH PROOF TO THE COURT HAVING JURISDICTION IN THE MATTER, AND  
14 ANY NECESSARY RESPONSE BY SUCH COURT OR ACKNOWLEDGEMENT OF THE  
15 PRODUCTION OF SUCH PROOF MAY ALSO BE MADE BY MAIL. WHEN INSURANCE WITH  
16 RESPECT TO ANY MOTOR VEHICLE, OTHER THAN A MOTORCYCLE, IS TERMINATED THE  
17 OWNER SHALL SURRENDER FORTHWITH THEIR REGISTRATION CERTIFICATE AND  
18 NUMBER PLATES OF THE VEHICLE TO THE COMMISSIONER UNLESS PROOF OF FINAN-  
19 CIAL SECURITY OTHERWISE IS MAINTAINED IN COMPLIANCE WITH THIS ARTICLE.

20 (C) THE OWNER OF ANY LEASED OR RENTED VEHICLE THAT FAILS TO MAINTAIN  
21 THE PROOF OF FINANCIAL SECURITY REQUIRED ABOVE MAY BE HELD PERSONALLY  
22 LIABLE FOR ANY JUDGMENT ENTERED AGAINST ANY DRIVER AND/OR REGISTRANT OF  
23 THE LEASED OR RENTED VEHICLE FOR DAMAGES SUSTAINED AS A RESULT OF  
24 PERSONAL INJURY, WRONGFUL DEATH AND/OR PROPERTY DAMAGE SUFFERED AS A  
25 RESULT OF THE USE AND OPERATION OF THE LEASED OR RENTED VEHICLE.

26 S 3. Paragraph 3 of subdivision (b) of section 345 of the vehicle and  
27 traffic law, as amended by chapter 305 of the laws of 1995, is amended  
28 to read as follows:

29 (3) Shall insure the insured, THE VEHICLE OPERATOR, or such other  
30 person against loss from the liability imposed by law for damages,  
31 including damages for care and loss of services because of bodily injury  
32 to or death of any person and injury to or destruction of property aris-  
33 ing out of the ownership, maintenance, use, or operation of such motor  
34 vehicle or motor vehicles within the state of New York, or elsewhere in  
35 the United States in North America or the Dominion of Canada, subject to  
36 a limit, exclusive of interest and cost, with respect to each such motor  
37 vehicle, except a tow truck OR A MOTOR VEHICLE WHICH IS RENTED OR LEASED  
38 FROM A PERSON, ORGANIZATION OR BUSINESS REGULARLY ENGAGED IN THE BUSI-  
39 NESS OF RENTING OR LEASING MOTOR VEHICLES TO THE GENERAL PUBLIC, of  
40 twenty-five thousand dollars because of bodily injury to or fifty thou-  
41 sand dollars because of death of one person in any one accident and,  
42 subject to said limit for one person, to a limit of fifty thousand  
43 dollars because of bodily injury to or one hundred thousand dollars  
44 because of death of two or more persons in any one accident, and to a  
45 limit of ten thousand dollars because of injury to or destruction of  
46 property of others in any one accident. The limit, exclusive of interest  
47 and costs, with respect to a tow truck shall be a combined single limit  
48 of three hundred thousand dollars because of bodily injury [of] OR death  
49 to one or more persons or because of injury or destruction of property  
50 of others in any one accident, and to a limit of twenty-five thousand  
51 dollars because of damage to a vehicle in the care, custody and control  
52 of the insured. THE LIMIT, EXCLUSIVE OF INTEREST AND COSTS, WITH  
53 RESPECT TO A MOTOR VEHICLE WHICH IS RENTED OR LEASED FROM A PERSON,  
54 ORGANIZATION OR BUSINESS REGULARLY ENGAGED IN THE BUSINESS OF RENTING OR  
55 LEASING MOTOR VEHICLES TO THE GENERAL PUBLIC, SHALL BE A COMBINED SINGLE  
56 LIMIT OF AT LEAST ONE MILLION DOLLARS BECAUSE OF BODILY INJURY OR DEATH

1 TO ONE OR MORE PERSONS OR BECAUSE OF INJURY OR DESTRUCTION OF PROPERTY  
2 OF OTHERS IN ANY ONE ACCIDENT, AND TO A LIMIT OF TWENTY-FIVE THOUSAND  
3 DOLLARS BECAUSE OF DAMAGE TO A VEHICLE IN THE CARE, CUSTODY AND CONTROL  
4 OF THE INSURED.

5 S 4. This act shall take effect on the one hundred eightieth day after  
6 it shall have become a law.