

# STATE OF NEW YORK

956

2017-2018 Regular Sessions

## IN ASSEMBLY

January 10, 2017

Introduced by M. of A. GANTT -- read once and referred to the Committee on Transportation

AN ACT to amend the vehicle and traffic law and the insurance law, in relation to minimum insurance requirements for rental vehicles and vehicles for hire

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The article heading of article 8 of the vehicle and traffic law, is amended to read as follows:

INDEMNITY BONDS OR INSURANCE POLICIES ON RENTAL VEHICLES

AND

VEHICLES

TRANSPORTING PASSENGERS FOR HIRE

§ 2. Subdivision 3 of section 370 of the vehicle and traffic law, as amended by chapter 232 of the laws of 2001, is amended to read as follows:

3. (a) A person, firm, association or corporation engaged in the business of renting or leasing rental vehicles to be operated upon the public highways for carrying passengers shall be subject to the provisions of this section in the same manner and to the same extent as if such person, firm, association or corporation were actually engaged in the business of carrying or transporting passengers for hire, except in respect to such vehicles rented or leased for less than one year, in which case:

(i) the corporate surety bond or a policy of insurance required by this section shall be conditioned upon the following liability for damages for and incident to death or injuries to persons: For each motorcycle and for each motor vehicle having a seating capacity of not more than seven passengers, a bond or insurance policy with a minimum liability of one hundred thousand dollars and a maximum liability of

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

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1 three hundred thousand dollars for bodily injury or death; for each  
2 motor vehicle having a seating capacity of not less than eight nor more  
3 than twelve passengers, a bond or insurance policy with a minimum  
4 liability of one hundred thousand dollars and a maximum liability of  
5 five hundred thousand dollars for bodily injury or death; for each motor  
6 vehicle having a seating capacity of not less than thirteen nor more  
7 than twenty passengers, a bond or insurance policy with a minimum  
8 liability of one hundred thousand dollars and a maximum liability of  
9 eight hundred thousand dollars for bodily injury or death; for each  
10 motor vehicle having a seating capacity of not less than twenty-one nor  
11 more than thirty passengers, a bond or insurance policy with a minimum  
12 liability of one hundred thousand dollars and a maximum liability of one  
13 million dollars for bodily injury or death; for each motor vehicle  
14 having a seating capacity of more than thirty passengers, a bond or  
15 insurance policy with a minimum liability of one hundred thousand  
16 dollars and a maximum liability of one million two hundred fifty thou-  
17 sand dollars for bodily injury or death; and

18 (ii) such person, firm, association or corporation shall also file  
19 with the commissioner for each motor vehicle or motorcycle intended to  
20 be so operated evidence, in such form as the commissioner may prescribe,  
21 of an excess liability policy of insurance, approved as to form by the  
22 superintendent of financial services in a company authorized to do busi-  
23 ness in the state, approved by such superintendent as to solvency and  
24 responsibility, providing excess liability coverage in the amount of one  
25 million dollars for each vehicle and covering the same risks as the  
26 underlying policy.

27 (b) A person, firm, association or corporation engaged in the business  
28 of renting or leasing trucks, as defined in this chapter, shall, in  
29 respect to trucks rented or leased for less than one year, be subject to  
30 the provisions of this section in the same manner and to the same extent  
31 as if such person, firm, association or corporation were engaged in the  
32 business of carrying or transporting passengers for hire, except that  
33 the corporate surety bond or a policy of insurance required by this  
34 section shall be conditioned upon a minimum liability of three hundred  
35 thousand dollars and a maximum liability of five hundred thousand  
36 dollars; and such person, firm, association or corporation shall also  
37 file with the commissioner for each such truck evidence, in such form as  
38 the commissioner may prescribe, of an excess liability policy of insur-  
39 ance, approved as to form by the superintendent of financial services in  
40 a company authorized to do business in the state, approved by the super-  
41 intendent as to solvency and responsibility, providing excess liability  
42 coverage in the amount of two million dollars for each truck and cover-  
43 ing the same risks as the underlying policy.

44 (c) Notwithstanding the provisions of subdivision one of this section,  
45 a person, firm, association or corporation engaged in the business of  
46 renting or leasing motor vehicles, having registered in this state more  
47 than twenty-five motor vehicles subject to the provisions of this  
48 section and who qualifies as hereinafter provided, may file a certif-  
49 icate of self-insurance. The commissioner [~~of motor vehicles~~] in his  
50 discretion may, upon the application of such a person, firm, association  
51 or corporation issue a certificate of self-insurance when he is reason-  
52 ably satisfied that such person is possessed and will continue to be  
53 possessed of financial ability to respond to judgments obtained against  
54 such person, arising out of the ownership, maintenance, use or operation  
55 of any such person's motor vehicle. Upon due notice and hearing, the

1 commissioner may, in his discretion and upon reasonable grounds, cancel  
2 a certificate of self-insurance.

3 As a condition to the issuance of a certificate of self-insurance  
4 under this subdivision the registrant shall pay annually in addition to  
5 any other fee prescribed by this chapter, a fee of one dollar and fifty  
6 cents for each motor vehicle registered in his name and the aggregate  
7 amount of such fees shall be applied in reduction of the assessment  
8 levied pursuant to section three hundred seventeen of this title. As a  
9 further condition to the issuance of a certificate of self-insurance,  
10 the registrant shall pay annually in addition to any other fee  
11 prescribed by this chapter, an amount per vehicle to be determined by  
12 the Motor Vehicle Accident Indemnification Corporation pursuant to  
13 section five thousand two hundred seven of the insurance law and the  
14 aggregate amount of such fees shall be transmitted by the commissioner  
15 to the Motor Vehicle Accident Indemnification Corporation continued  
16 pursuant to section five thousand two hundred three of the insurance law  
17 to be applied in reduction of assessments levied by said corporation  
18 pursuant to section five thousand two hundred seven of the insurance  
19 law.

20 (d) Any person, firm, association or corporation owning a motor vehi-  
21 cle or motorcycle as to which a bond or policy of insurance is required  
22 by this subdivision and permitting the motor vehicle or motorcycle to be  
23 operated under a lease or rental agreement while such a bond or policy,  
24 or evidence thereof as required by this section, is not on file with the  
25 commissioner, and in full force and effect shall be (i) guilty of a  
26 misdemeanor; and (ii) liable to third persons for all damages arising  
27 out of the use or operation of the vehicle to the same extent as the  
28 operator or permissive user.

29 (e) The bankruptcy or insolvency of the operator or permissive user of  
30 a leased or rented motor vehicle or motorcycle shall not inure to the  
31 benefit of the owner of the motor vehicle or motorcycle who or which  
32 shall nevertheless remain liable under this subdivision for noncompli-  
33 ance with this section.

34 § 3. Paragraph 6 of subsection (a) of section 3426 of the insurance  
35 law, as amended by chapter 235 of the laws of 1989, is amended to read  
36 as follows:

37 (6) "Excess liability policy" means a policy of commercial risk,  
38 public entity or professional liability insurance, including a commer-  
39 cial umbrella policy, when written over one or more underlying liability  
40 policies that provide with respect to the same risk coverage of at least  
41 five hundred thousand dollars in the aggregate, except as otherwise  
42 provided in subdivision three of section three hundred seventy of the  
43 vehicle and traffic law.

44 § 4. This act shall take effect on the one hundred eightieth day after  
45 it shall have become a law.