

STATE OF NEW YORK

2551--A

2023-2024 Regular Sessions

IN ASSEMBLY

January 26, 2023

Introduced by M. of A. HYNDMAN, SAYEGH -- read once and referred to the Committee on Transportation -- recommitted to the Committee on Transportation in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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 vehicle and traffic law, as amended by chapter 305 of the laws of 1995, is amended to read as follows:

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3
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 superintendent before promulgating such regulations or any amendment thereof,
7 shall consult with all insurers licensed to write automobile liability
8 insurance in this state and shall not prescribe minimum provisions which
9 fail to reflect the provisions of automobile liability insurance policies,
10 other than motor vehicle liability policies as defined in section
11 three hundred forty-five of this chapter, issued within this state at
12 the date of such regulation or amendment thereof. Nothing contained in
13 such regulation or in this article shall prohibit any insurer from
14 affording coverage under an owner's policy of liability insurance more
15 liberal than that required by said minimum provisions. Every such
16 owner's policy of liability insurance shall provide insurance subject to
17 said regulation against loss from the liability imposed by law for
18 damages, including damages for care and loss of services, because of
19 bodily injury to or death of any person and injury to or destruction of
20 property arising out of the ownership, maintenance, use, or operation of
21

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

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1 a specific motor vehicle or motor vehicles within the state of New York,
2 or elsewhere in the United States in North America or the Dominion of
3 Canada, subject to a limit, exclusive of interest and costs, with
4 respect to each such motor vehicle except a tow truck or a motor vehicle
5 which is rented or leased from a person, organization or business regu-
6 larly engaged in the business of renting or leasing motor vehicles to
7 the general public, of twenty-five thousand dollars because of bodily
8 injuries to and fifty thousand dollars because of death of one person in
9 any one accident and, subject to said limit for one person, to a limit
10 of fifty thousand dollars because of bodily injury to and one hundred
11 thousand dollars because of death of two or more persons in any one
12 accident, and to a limit of ten thousand dollars because of injury to or
13 destruction of property of others in any one accident provided, however,
14 that such policy need not be for a period coterminous with the registra-
15 tion period of the vehicle insured. The limit, exclusive of interest and
16 costs, with respect to a tow truck shall be a combined single limit of
17 at least three hundred thousand dollars because of bodily injury or
18 death to one or more persons or because of injury or destruction of
19 property of others in any one accident, and to a limit of twenty-five
20 thousand dollars because of damage to a vehicle in the care, custody and
21 control of the insured. The limit, exclusive of interest and costs,
22 with respect to a motor vehicle which is rented or leased from a person,
23 organization or business regularly engaged in the business of renting or
24 leasing motor vehicles to the general public, shall be a combined single
25 limit of at least one million two hundred fifty thousand dollars because
26 of bodily injury or death to one or more persons or because of injury or
27 destruction of property of others in any one accident, and to a limit of
28 twenty-five thousand dollars because of damage to a vehicle in the care,
29 custody and control of the insured. Any insurer authorized to issue an
30 owner's policy of liability insurance as provided for in this article
31 may, pending the issue of such a policy, make an agreement, to be known
32 as a binder, or may, in lieu of such a policy, issue a renewal endorse-
33 ment or evidence of renewal of an existing policy; each of which shall
34 be construed to provide indemnity or protection in like manner and to
35 the same extent as such a policy. The provisions of this article shall
36 apply to such binders, renewal endorsements or evidences of renewal.
37 Every such policy issued insuring private passenger vehicles and every
38 renewal policy, renewal endorsement, or other evidence of renewal issued
39 shall have attached thereto a rating information form which clearly
40 specifies and defines the rating classification assigned thereto,
41 including any applicable merit rating plan; and

42 § 2. Section 312 of the vehicle and traffic law is amended by adding a
43 new subdivision 6 to read as follows:

44 6. (a) No motor vehicle shall be leased or rented in this state unless
45 upon the registration of the leased or rented motor vehicle, the appli-
46 cation for such registration is accompanied by proof of financial secu-
47 rity required by section three hundred eleven of this article which
48 shall be evidenced by proof of insurance or evidence of a financial
49 security bond, a financial security deposit or qualification as a self-
50 insurer under section three hundred sixteen of this article; provided,
51 that if directed by regulation of the commissioner, upon renewal of
52 registration an application accompanied by a certificate of registration
53 or renewal stub in force immediately preceding the date of application
54 for renewal, together with a statement in a form prescribed by the
55 commissioner certifying that there is in effect proof of financial secu-
56 rity, shall meet the requirements of this section. Upon the issuance or

1 renewal of a private passenger automobile insurance policy subject to
2 the provisions of section three thousand four hundred twenty-five of the
3 insurance law, the insurance company shall provide the insured with an
4 informational statement outlining the legal and financial consequences
5 of convictions under section eleven hundred ninety-two of this chapter,
6 pertaining to operating a motor vehicle while under the influence of
7 alcohol or drugs. Such information shall be supplied to the company by
8 the state department of financial services in consultation with the
9 commissioner.

10 (b) The owner and registrant if the registrant is different from the
11 owner of such leased or rented motor vehicle shall maintain proof of
12 financial security continuously throughout the registration period and
13 his failure to produce proof of financial security when requested to do
14 so upon demand of a magistrate, motor vehicle inspector, peace officer,
15 acting pursuant to his special duties, or police officer, while such
16 vehicle is being operated upon the public highway, shall be presumptive
17 evidence of operating a motor vehicle without proof of financial securi-
18 ty. Upon the production of proof of financial security such presumption
19 is removed. Production of proof of financial security may be made by
20 mailing such proof to the court having jurisdiction in the matter, and
21 any necessary response by such court or acknowledgement of the
22 production of such proof may also be made by mail. When insurance with
23 respect to any motor vehicle, other than a motorcycle, is terminated the
24 owner shall surrender forthwith their registration certificate and
25 number plates of the vehicle to the commissioner unless proof of finan-
26 cial security otherwise is maintained in compliance with this article.

27 (c) The owner of any leased or rented vehicle that fails to maintain
28 the proof of financial security required above may be held personally
29 liable for any judgment entered against any driver and/or registrant of
30 the leased or rented vehicle for damages sustained as a result of
31 personal injury, wrongful death and/or property damage suffered as a
32 result of the use and operation of the leased or rented vehicle.

33 § 3. Paragraph 3 of subdivision (b) of section 345 of the vehicle and
34 traffic law, as amended by chapter 305 of the laws of 1995, is amended
35 to read as follows:

36 (3) Shall insure the insured, the vehicle operator, or such other
37 person against loss from the liability imposed by law for damages,
38 including damages for care and loss of services because of bodily injury
39 to or death of any person and injury to or destruction of property aris-
40 ing out of the ownership, maintenance, use, or operation of such motor
41 vehicle or motor vehicles within the state of New York, or elsewhere in
42 the United States in North America or the Dominion of Canada, subject to
43 a limit, exclusive of interest and cost, with respect to each such motor
44 vehicle, except a tow truck or a motor vehicle which is rented or leased
45 from a person, organization or business regularly engaged in the busi-
46 ness of renting or leasing motor vehicles to the general public, of
47 twenty-five thousand dollars because of bodily injury to or fifty thou-
48 sand dollars because of death of one person in any one accident and,
49 subject to said limit for one person, to a limit of fifty thousand
50 dollars because of bodily injury to or one hundred thousand dollars
51 because of death of two or more persons in any one accident, and to a
52 limit of ten thousand dollars because of injury to or destruction of
53 property of others in any one accident. The limit, exclusive of interest
54 and costs, with respect to a tow truck shall be a combined single limit
55 of three hundred thousand dollars because of bodily injury [~~of~~] or death
56 to one or more persons or because of injury or destruction of property

1 of others in any one accident, and to a limit of twenty-five thousand
2 dollars because of damage to a vehicle in the care, custody and control
3 of the insured. The limit, exclusive of interest and costs, with
4 respect to a motor vehicle which is rented or leased from a person,
5 organization or business regularly engaged in the business of renting or
6 leasing motor vehicles to the general public, shall be a combined single
7 limit of at least one million two hundred fifty thousand dollars because
8 of bodily injury or death to one or more persons or because of injury or
9 destruction of property of others in any one accident, and to a limit of
10 twenty-five thousand dollars because of damage to a vehicle in the care,
11 custody and control of the insured.

12 § 4. This act shall take effect one year after it shall have become a
13 law and shall apply to policies issued or renewed on or after such date.