

# STATE OF NEW YORK

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7408

2023-2024 Regular Sessions

## IN SENATE

May 23, 2023

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Introduced by Sen. ADDABBO -- 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 vehicle and traffic law, as amended by chapter 305 of the laws of 1995, is amended to read as follows:

2 (a) Affording coverage as defined in the minimum provisions prescribed  
3 in a regulation which shall be promulgated by the superintendent at  
4 least ninety days prior to effective date of this act. The superintendent before promulgating such regulations or any amendment thereof,  
5 shall consult with all insurers licensed to write automobile liability  
6 insurance in this state and shall not prescribe minimum provisions which  
7 fail to reflect the provisions of automobile liability insurance policies,  
8 other than motor vehicle liability policies as defined in section  
9 three hundred forty-five of this chapter, issued within this state at  
10 the date of such regulation or amendment thereof. Nothing contained in  
11 such regulation or in this article shall prohibit any insurer from  
12 affording coverage under an owner's policy of liability insurance more  
13 liberal than that required by said minimum provisions. Every such  
14 owner's policy of liability insurance shall provide insurance subject to  
15 said regulation against loss from the liability imposed by law for  
16 damages, including damages for care and loss of services, because of  
17 bodily injury to or death of any person and injury to or destruction of  
18 property arising out of the ownership, maintenance, use, or operation of  
19 a specific motor vehicle or motor vehicles within the state of New York,  
20 or elsewhere in the United States in North America or the Dominion of  
21 Canada, subject to a limit, exclusive of interest and costs, with  
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EXPLANATION--Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.

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

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

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

informational statement outlining the legal and financial consequences of convictions under section eleven hundred ninety-two of this chapter, pertaining to operating a motor vehicle while under the influence of alcohol or drugs. Such information shall be supplied to the company by the state department of financial services in consultation with the commissioner.

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

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

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

(3) Shall insure the insured, the vehicle operator, or such other person against loss from the liability imposed by law for damages, including damages for care and loss of services because of bodily injury to or death of any person and injury to or destruction of property arising out of the ownership, maintenance, use, or operation of such motor vehicle or motor vehicles within the state of New York, or elsewhere in the United States in North America or the Dominion of Canada, subject to a limit, exclusive of interest and cost, with respect to each such motor vehicle, except a tow truck or a motor vehicle which is rented or leased from a person, organization or business regularly engaged in the business of renting or leasing motor vehicles to the general public, of twenty-five thousand dollars because of bodily injury to or fifty thousand dollars because of death of one person in any one accident and, subject to said limit for one person, to a limit of fifty thousand dollars because of bodily injury to or one hundred thousand dollars because of death of two or more persons in any one accident, and to a limit of ten thousand dollars because of injury to or destruction of property of others in any one accident. The limit, exclusive of interest and costs, with respect to a tow truck shall be a combined single limit of three hundred thousand dollars because of bodily injury ~~[ef]~~ or death to one or more persons or because of injury or destruction of property of others in any one accident, and to a limit of twenty-five thousand dollars because of damage to a vehicle in the care, custody and control of the insured. The limit, exclusive of interest and costs, with

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

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