

STATE OF NEW YORK

1249

2025-2026 Regular Sessions

IN SENATE

January 8, 2025

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 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

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 two hundred fifty thousand dollars because
23 of bodily injury or death to one or more persons or because of injury or
24 destruction of property of others in any one accident, and to a limit of
25 twenty-five thousand dollars because of damage to a vehicle in the care,
26 custody and control of the insured. Any insurer authorized to issue an
27 owner's policy of liability insurance as provided for in this article
28 may, pending the issue of such a policy, make an agreement, to be known
29 as a binder, or may, in lieu of such a policy, issue a renewal endorse-
30 ment or evidence of renewal of an existing policy; each of which shall
31 be construed to provide indemnity or protection in like manner and to
32 the same extent as such a policy. The provisions of this article shall
33 apply to such binders, renewal endorsements or evidences of renewal.
34 Every such policy issued insuring private passenger vehicles and every
35 renewal policy, renewal endorsement, or other evidence of renewal issued
36 shall have attached thereto a rating information form which clearly
37 specifies and defines the rating classification assigned thereto,
38 including any applicable 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

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

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

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

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

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

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

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