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:

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:

(a) Affording coverage as defined in the minimum provisions prescribed in a regulation which shall be promulgated by the superintendent at least ninety days prior to effective date of this act. The superintendent before promulgating such regulations or any amendment thereof, shall consult with all insurers licensed to write automobile liability insurance in this state and shall not prescribe minimum provisions which fail to reflect the provisions of automobile liability insurance policies, other than motor vehicle liability policies as defined in section three hundred forty-five of this chapter, issued within this state at the date of such regulation or amendment thereof. Nothing contained in such regulation or in this article shall prohibit any insurer from affording coverage under an owner's policy of liability insurance more liberal than that required by said minimum provisions. Every such owner's policy of liability insurance shall provide insurance subject to said regulation 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 a specific 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 costs, with

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

LBD03072-01-5

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 injuries to and 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 and 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 provided, however, that such policy need not be for a period coterminous with the registration period of the vehicle insured. The limit, exclusive of interest and costs, with respect to a tow truck shall be a combined single limit of at least three hundred thousand dollars because of bodily injury 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 respect to 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, shall be a combined single limit of at least one million two hundred fifty thousand dollars because of bodily injury 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.** Any insurer authorized to issue an owner's policy of liability insurance as provided for in this article may, pending the issue of such a policy, make an agreement, to be known as a binder, or may, in lieu of such a policy, issue a renewal endorsement or evidence of renewal of an existing policy; each of which shall be construed to provide indemnity or protection in like manner and to the same extent as such a policy. The provisions of this article shall apply to such binders, renewal endorsements or evidences of renewal. Every such policy issued insuring private passenger vehicles and every renewal policy, renewal endorsement, or other evidence of renewal issued shall have attached thereto a rating information form which clearly specifies and defines the rating classification assigned thereto, including any applicable merit rating plan; and

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

6. (a) No motor vehicle shall be leased or rented in this state unless upon the registration of the leased or rented motor vehicle, the application for such registration is accompanied by proof of financial security required by section three hundred eleven of this article which shall be evidenced by proof of insurance or evidence of a financial security bond, a financial security deposit or qualification as a self-insurer under section three hundred sixteen of this article; provided, that if directed by regulation of the commissioner, upon renewal of registration an application accompanied by a certificate of registration or renewal stub in force immediately preceding the date of application for renewal, together with a statement in a form prescribed by the commissioner certifying that there is in effect proof of financial security, shall meet the requirements of this section. Upon the issuance or renewal of a private passenger automobile insurance policy subject to the provisions of section three thousand four hundred twenty-five of the 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 such owner or registrant's 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 such peace officer's 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 [~~of~~] 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 respect to 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, shall be a combined single limit of at least one million two hundred fifty thousand dollars because of bodily injury 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.**

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