

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

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Legislative Document

No. 762

H.P. 534

House of Representatives, February 21, 1991

Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative TRACY of Rome.

Cosponsored by Senator BUSTIN of Kennebec, Representative CONSTANTINE of Bar Harbor and Representative GARLAND of Bangor.

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STATE OF MAINE

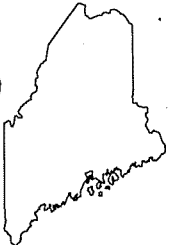
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IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY-ONE

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**An Act Concerning Rental Vehicle Insurance.**

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2 Be it enacted by the People of the State of Maine as follows:

4 Sec. 1. 24-A MRS §2910-A is enacted to read:

6 §2910-A. Rental vehicle insurance

8 1. Exclusions. In any insurance provided to a person  
10 renting a motor vehicle by its owner or the owner's agent, the  
12 owner may not exclude from coverage claims covered by a motor  
14 vehicle liability policy approved by the superintendent for use  
16 in the State.

18 2. Notice to insureds. Every motor vehicle liability  
20 policy issued for delivery in this State must, either upon policy  
22 issuance or upon the first renewal after January 1, 1992, be  
24 accompanied or supplemented by a notice in a form prescribed or  
26 approved by the superintendent advising the insured of the rental  
28 vehicle coverage provided in the policy.

30 3. Authorized drivers. In any agreement for the rental of  
32 a motor vehicle, coverage applying to the renter also applies to  
34 any authorized driver. An "authorized driver" means:

36 A. The renter;

38 B. The renter's spouse, if that person is a licensed driver  
40 meeting the rental company's minimum age requirement;

42 C. The renter's employer or coworker, if that person is  
44 engaged in business activity with the renter and is a  
46 licensed driver meeting the rental company's minimum age  
48 requirement;

50 D. A person who operates the vehicle during an emergency or  
52 while parking the vehicle in the course of that person's  
54 employment at a commercial establishment; or

56 E. A person listed by the rental company on the rental  
58 agreement as an authorized driver.

60 Sec. 2. 29 MRS §1862 is amended to read:

62 §1862. Owner and renter liable jointly and severally

64 The owner of a motor vehicle engaged in the business of  
66 renting motor vehicles, with or without drivers, who rents any  
68 such vehicle, with or without a driver, to another, otherwise  
70 than as a part of a bona fide transaction involving the sale of  
such motor vehicle, permitting the renter to operate the vehicle  
upon the public and private ways, shall--be is jointly and  
severally liable with the renter for any damages caused by the

2 negligence of the latter in operating the vehicle and for any  
3 damages caused by the negligence of any person operating the  
4 vehicle by or with the permission of the person so renting the  
5 vehicle from the owner, except that the foregoing provisions  
6 shall do not confer any right of action upon any passenger in any  
7 such rented vehicle as against the owner and except that the  
8 owner may not hold the renter or any authorized driver, as  
9 defined in Title 24-A, section 2910-A, subsection 3, liable for  
10 any loss of use of the vehicle as a result of any damages to the  
11 vehicle. Nothing herein contained shall may be construed to  
12 prevent the introduction as a defense of contributory negligence  
13 to the extent to which such defense is allowed in other cases.

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#### STATEMENT OF FACT

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17 This bill provides that motor vehicle rental insurance not  
18 exclude from coverage any coverage provided under a motor vehicle  
19 insurance policy approved by the Superintendent of Insurance. It  
20 provides that an insured must be informed that the insured may  
21 have adequate insurance coverage without purchasing a collision  
22 damage waiver. The bill defines an authorized driver of a rental  
23 vehicle. It also provides that the owner may not require the  
24 renter to assume responsibility for the owner's loss of use of  
25 the vehicle. Currently, renters are not made aware at the time  
26 of accepting or declining the collision damage waiver that they  
27 may be liable for loss of use, which is not usually covered under  
28 their own auto insurance policies.