

MAINE STATE LEGISLATURE

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125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 53

H.P. 46

House of Representatives, January 11, 2011

An Act To Extend Fair Trade Practice to Automobile Rentals Provided When Insured Automobiles Are Damaged

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

A handwritten signature in cursive script, reading "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative BEAULIEU of Auburn.
Cosponsored by Senator THOMAS of Somerset and
Representatives: BICKFORD of Auburn, CAREY of Lewiston, HANLEY of Gardiner,
LAJOIE of Lewiston, NASS of Acton, PRESCOTT of Topsham, WAGNER of Lewiston,
WEAVER of York.

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

Sec. 1. 24-A MRSA §2164-C, sub-§3 is enacted to read:

3. Rental vehicle reimbursement coverage. A domestic or foreign insurer providing rental vehicle reimbursement coverage may not require that the insured use or not use a particular rental vehicle company or rental vehicle company location. For the purposes of this subsection, "rental vehicle reimbursement coverage" means coverage for the cost of renting a motor vehicle used as substitute transportation until an insured motor vehicle that is damaged and is temporarily out of use due to a covered loss is repaired or is declared a total loss.

A. When processing a claim for rental vehicle reimbursement coverage, a domestic or foreign insurer shall disclose to the insured that the insured has the right to use any rental vehicle company and rental vehicle company location.

B. When writing motor vehicle insurance that includes rental vehicle reimbursement coverage, a domestic or foreign insurer shall inform the consumer of the consumer's right to choose a rental vehicle company and rental vehicle company location if the consumer uses the rental vehicle reimbursement coverage. The insurer shall provide the disclosure required under this paragraph to an insured on new and renewal policies. Except for new policies, the disclosure must be provided in a separate written document but does not need to be provided in a separate mailing as another document as long as it is provided on a separate piece of paper. For new policies, the disclosure may be provided either in writing or in the same medium as the application for insurance.

SUMMARY

This bill establishes that insurers providing rental vehicle reimbursement coverage may not require an insured to use or not use a particular rental vehicle company or rental vehicle company location. It also establishes disclosure requirements when insurers process a claim or write motor vehicle insurance.