



House of Representatives

General Assembly

File No. 262

January Session, 2005

Substitute House Bill No. 6862

House of Representatives, April 11, 2005

The Committee on Insurance and Real Estate reported through REP. O'CONNOR of the 35th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING VICARIOUS LIABILITY FOR RENTAL CARS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 14-154a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2005*):

3 (a) Any person renting or leasing to another any motor vehicle
4 owned by [him] the person shall be liable for any damage to any
5 person or property caused by the operation of such motor vehicle
6 while so rented or leased, to the same extent as the operator would
7 have been liable if [he] the operator had also been the owner.

8 (b) The provisions of subsection (a) of this section shall not apply to:

9 (1) Any person, with respect to the person's lease to another of a
10 private passenger motor vehicle, if the total lease term is for one year
11 or more and if, at the time damages are incurred, the leased vehicle is
12 insured for bodily injury liability in amounts of not less than one

13 hundred thousand dollars per person and three hundred thousand
14 dollars per occurrence and the vehicle is not subject to subdivision (2)
15 of this subsection. As used in this section, "private passenger motor
16 vehicle" means a: (A) Private passenger type automobile; (B) station-
17 wagon-type automobile; (C) camper-type motor vehicle; (D) truck-type
18 motor vehicle with a gross vehicle weight rating of less than ten
19 thousand pounds, registered as a passenger motor vehicle, as defined
20 in section 14-1, or as a passenger and commercial motor vehicle, as
21 defined in said section, or used for farming purposes; or (E) a vehicle
22 with a commercial registration, as defined in subdivision (12) of said
23 section. Private passenger motor vehicle does not include a motorcycle
24 or motor vehicle used as a public or livery conveyance.

25 (2) Any person, with respect to the person's lease to another of a
26 truck, tractor trailer or tractor-trailer unit with a gross vehicle weight
27 rating of ten thousand pounds or more if the total lease term is for one
28 year or more, or the applicable contract term is one year or more, and
29 if, at the time damages are incurred, the loss or claim is insured by any
30 combination of coverage through an insurer, as defined in section 38a-
31 363, in an amount of not less than two million dollars.

32 (c) The provisions of subsection (a) of this section shall not apply to
33 any person who rents to another a private passenger motor vehicle
34 under a contract if, at the time damages are incurred, the rented
35 vehicle is insured by the person who rents the vehicle for bodily injury
36 liability in amounts of not less than one hundred thousand dollars per
37 person and three hundred thousand dollars per occurrence, except that
38 any person who rents a private passenger motor vehicle knowing that
39 the person renting the vehicle does not have proof of financial
40 responsibility shall be liable for any damage to a person or property
41 caused by the operation of such motor vehicle while so rented in an
42 amount not to exceed five hundred thousand dollars. As used in this
43 subsection, "private passenger motor vehicle" means a private
44 passenger motor vehicle, as defined in subsection (b) of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2005</i>	14-154a

INS *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 06 \$	FY 07 \$
Judicial Dept.	GF - None	None	None

Note: GF=General Fund

Municipal Impact: None

Explanation

Some motor vehicle tort cases could be disposed of more quickly by removing a party from the proceedings and thus simplifying certain civil suits. The resulting efficiency is not expected to substantially alter the caseload of the Superior Court such that savings would be generated and appropriations reduced. Consequently, there is no fiscal impact.

OLR Bill Analysis

sHB 6862

AN ACT CONCERNING VICARIOUS LIABILITY FOR RENTAL CARS

SUMMARY:

By law, anyone who rents or leases a motor vehicle he owns to another person is liable for personal or property damage caused by the vehicle's operation to the same extent the operator would have been had he owned the vehicle.

This bill exempts from this law anyone who rents certain vehicles if, when the damages are incurred, the rented vehicle is insured by the person who rented it for bodily injury liability of at least \$100,000 per person and \$300,000 per accident. But, anyone who rents such a vehicle knowing that the person renting it does not have proof of financial responsibility is liable for up to \$500,000 for any damage caused by its operation while rented.

This exemption applies to (1) private passenger cars; (2) station wagons; (3) campers; (4) truck-type vehicles with a gross vehicle weight of less than 10,000 pounds registered either as passenger cars or combination passenger and commercial vehicles, or used for farming purposes; and (5) commercially registered vehicles. The exemption does not apply to motorcycles or motor vehicles used as public or livery conveyance.

EFFECTIVE DATE: July 1, 2005

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 10 Nay 6