

HOUSE BILL NO. HB0193

Rental car insurance.

Sponsored by: Representative(s) Illoway, Ross, Simpson and
Walsh and Senator(s) Case and Hines

A BILL

for

1 AN ACT relating to insurance; authorizing the department of
2 insurance to regulate the issuance of rental car insurance,
3 as specified; providing for fees; providing a compliance
4 date; and providing for an effective date.

5

6 *Be It Enacted by the Legislature of the State of Wyoming:*

7

8 **Section 1.** W.S. 26-50-101 through 26-50-109 are
9 created to read:

10

11

CHAPTER 50

12

RENTAL CAR INSURANCE

13

14 **26-50-101. Short title.**

15

1 This chapter shall be known as the "Rental Car Insurance
2 Limited Producer License Act".

3

4 **26-50-102. Definitions.**

5

6 (a) As used in this chapter:

7

8 (i) "Endorsee" means an employee or
9 representative of a rental car agent who meets the
10 requirements of this chapter;

11

12 (ii) "Rental agreement" means any written
13 master, corporate, group or individual agreement setting
14 forth the terms and conditions governing the use of a
15 rental car rented or leased by a rental car company;

16

17 (iii) "Rental car" means any motor vehicle that
18 is intended to be rented or leased for a period of ninety
19 (90) consecutive days or less by a driver who is not
20 required to possess a commercial driver's license to
21 operate the motor vehicle and the motor vehicle is either
22 of the following:

23

1 (A) A private passenger motor vehicle,
2 including a passenger van, minivan or sport utility
3 vehicle; or

4
5 (B) A cargo vehicle, including a cargo van,
6 pickup truck or truck with a gross vehicle weight of less
7 than twenty-six thousand (26,000) pounds.

8
9 (iv) "Rental car agent" means any rental car
10 company that is licensed to offer, sell or solicit rental
11 car insurance pursuant to this chapter;

12
13 (v) "Rental car company" means any person in the
14 business of renting rental cars to the public, including a
15 franchisee;

16
17 (vi) "Rental car insurance" means insurance
18 offered, sold or solicited in connection with and
19 incidental to the rental of rental cars, whether at the
20 rental office or by preselection of coverage in master,
21 corporate, group or individual agreements that is
22 nontransferable, applies only to the rental car that is the
23 subject of the rental agreement and is limited to the
24 following kinds of insurance and shall not include the

1 rental car company's agreement to waive its right of
2 indemnity against a renter for damages to the rental
3 vehicle:

4
5 (A) Personal accident insurance for renters
6 and other rental car occupants, for accidental death or
7 dismemberment, and for medical expenses resulting from an
8 accident that occurs with the rental car during the rental
9 period;

10

11 (B) Liability insurance, which at the
12 exclusive option of the rental car company, may include
13 uninsured or underinsured motorist coverage, whether
14 offered separately or in combination with other liability
15 insurance, that provides protection to the renters and to
16 other authorized drivers of a rental car for liability
17 arising from the operation of the rental car during the
18 rental period;

19

20 (C) Personal effects insurance that
21 provides coverage to renters and other vehicle occupants
22 for loss of or damage to, personal effects in the rental
23 car during the rental period;

24

1 (D) Roadside assistance and emergency
2 sickness protection insurance; and

3

4 (E) Any other insurance product sold
5 incidental to the rental transaction.

6

7 (vii) "Renter" means any person who executes a
8 rental agreement to obtain the use of a vehicle from a
9 rental car company.

10

11 **26-50-103. License required to issue insurance.**

12

13 (a) No rental car company and no officer, director,
14 employee or agent of a rental car company, shall offer,
15 sell or solicit the purchase of rental car insurance unless
16 that person is licensed as an insurance producer pursuant
17 to chapter nine (9) of this code or has complied with the
18 requirements of this chapter.

19

20 (b) The commissioner shall issue to a rental car
21 company that has complied with the requirements of this
22 chapter, a license that authorizes the rental car company
23 to act as a rental car agent in connection with and

1 incidental to rental agreements, on behalf of any insurer
2 authorized to write such insurance in this state.

3

4 **26-50-104. Licensing rental car companies as rental**
5 **car agents.**

6

7 (a) To be licensed as a rental car agent, a rental
8 car company shall submit:

9

10 (i) A written application for licensure
11 accompanied by a fifty dollar (\$50.00) fee signed by the
12 applicant or by an officer of the applicant, in the form
13 prescribed by the commissioner, including a list of all
14 locations at which the rental car company intends to offer,
15 sell or solicit rental car insurance. The initial
16 application shall be submitted by July 1, 2003. Thereafter
17 each licensee shall pay to the commissioner by March 31 an
18 annual renewal fee of fifty dollars (\$50.00) to maintain
19 the license in good standing;

20

21 (ii) A certificate subscribed by an officer or
22 managing agent of the insurer to be named in the license,
23 on a form prescribed by the commissioner stating:

24

1 (A) That the insurer is satisfied the
2 applicant is trustworthy and competent to act as a rental
3 car agent;

4
5 (B) That the insurer has reviewed the
6 endorsee training and education program required by W.S.
7 26-50-105(e) and it satisfies the statutory requirements;
8 and

9
10 (C) That the insurer will appoint the
11 applicant to act as its rental car agent to offer, sell or
12 solicit rental car insurance if the license is issued by
13 the commissioner.

14

15 **26-50-105. Rental car agent endorsees.**

16

17 (a) An employee or representative of a rental car
18 agent may be an endorsee authorized to offer, sell or
19 solicit rental car insurance under the authority of the
20 rental car agent license if all of the following conditions
21 have been satisfied:

22

23 (i) The employee or representative is eighteen
24 (18) years of age or older;

1

2 (ii) The employee or representative has not
3 committed any act set forth in W.S. 26-9-211;

4

5 (iii) The employee or representative has
6 completed a training program;

7

8 (iv) The rental car company submits to the
9 commissioner with its initial rental car agent license
10 application and annually thereafter a certification,
11 subscribed by an officer of the rental car company on a
12 form prescribed by the commissioner, stating:

13

14 (A) That no person other than an endorsee
15 offers, sells or solicits rental car insurance on its
16 behalf or while working as an employee or representative of
17 the rental car agent; and

18

19 (B) That all endorsees have completed the
20 training program required by this chapter.

21

22 (b) An endorsee may only act on behalf of the rental
23 car agent in the offer, sale or solicitation of rental car
24 insurance. A rental car agent is responsible for and shall

1 supervise all actions of its endorsees related to the
2 offering, sale or solicitation of rental car insurance. The
3 conduct of an endorsee acting within the scope of his or
4 her employment shall be deemed the conduct of the rental
5 car agent for purposes of this chapter.

6
7 (c) The manager at each location of a rental car
8 agent, or the direct supervisor of the rental car agent's
9 endorsees at each location, shall be an endorsee of that
10 rental car agent and shall be responsible for the
11 supervision of each additional endorsee at that location.
12 Each rental car agent shall identify the endorsee who is
13 the manager or direct supervisor at each location in the
14 certification required under W.S. 26-50-105(a)(iv).

15
16 (d) Each manager or direct supervisor identified in
17 subsection (c) of this section shall initially by July 1,
18 2003 and thereafter annually by March 31 submit an
19 application to the commissioner for a limited insurance
20 representative license on forms approved by the
21 commissioner, and shall pay a ten dollar (\$10.00) annual
22 fee. No examination shall be required to obtain this
23 license. Licensees under this subsection shall be subject
24 to the application requirements established by the

1 commissioner, the provisions of W.S. 26-9-211 and chapter
2 thirteen (13) of this code, but shall not be subject to
3 other provisions of this code.

4

5 (e) Each rental car agent shall provide a training
6 program for each endorsee prior to allowing an endorsee to
7 offer, sell or solicit rental car insurance which shall be
8 submitted to the commissioner for approval prior to use.
9 The training shall take place at a location affiliated with
10 the rental car agent that is convenient for the endorsee,
11 which may also include electronic or video training. The
12 training shall meet the following minimum standards:

13

14 (i) Each endorsee shall receive instruction
15 about the kinds of insurance specified in this chapter that
16 are offered for sale to prospective renters;

17

18 (ii) Each endorsee shall receive training about
19 the requirements and limitations imposed on car rental
20 agents and endorsees by this chapter, including specific
21 instruction that the endorsee is prohibited from making any
22 statement or engaging in any conduct, express or implied,
23 that would lead a consumer to believe:

24

1 (A) That the purchase of rental car
2 insurance is required in order for the renter to rent a
3 motor vehicle;

4
5 (B) That the renter does not have insurance
6 policies in place that already provide the coverage being
7 offered by the rental car company; and

8
9 (C) That the endorsee is qualified to
10 evaluate the adequacy of the renter's existing insurance
11 coverage.

12
13 (f) The training and education program submitted to
14 the commissioner shall be deemed approved if no action is
15 taken within thirty (30) days of its receipt by the
16 department.

17
18 (g) An endorsee's authorization to offer, sell or
19 solicit rental car insurance shall expire when the
20 endorsee's employment with the rental car company is
21 terminated.

22
23 (h) The rental car agent shall retain for a period of
24 six (6) months from the date of each transaction, a record

1 that enables it to identify the name of the endorsee
2 involved in each rental transaction where a renter
3 purchases rental car insurance.

4

5 **26-50-106. Rental car agent restrictions.**

6

7 (a) No insurance may be offered, sold or solicited
8 pursuant to this chapter unless:

9

10 (i) The rental period of the rental car
11 agreement is ninety (90) consecutive days or less;

12

13 (ii) At every location where rental agreements
14 are executed, the rental car agent or endorsee prominently
15 displays and makes readily available brochures or other
16 written material to each renter who purchases rental car
17 insurance that clearly and conspicuously and in plain
18 language:

19

20 (A) Summarizes the material terms,
21 exclusions, limitations and conditions of coverage offered
22 to renters, including the identity of the insurer;

23

1 (B) Describes the process for filing a
2 claim in the event the renter elects to purchase coverage,
3 including a toll-free telephone number to report a claim;

4
5 (C) Provides the rental car agent's name,
6 address, telephone number and license number;

7
8 (D) Informs the consumer that the rental
9 car insurance may provide a duplication of coverage already
10 provided by a renter's personal automobile insurance
11 policy, or by another source of coverage;

12
13 (E) Informs the consumer that the purchase
14 of the rental car insurance is not required in order to
15 rent a rental car from the rental car agent; and

16
17 (F) Informs the consumer that neither the
18 rental car agent nor the rental car agent's endorsees are
19 qualified to evaluate the adequacy of the renter's existing
20 insurance coverage.

21
22 (b) Evidence of the rental car insurance coverage
23 shall be stated in the rental agreement.

24

1 (c) All costs for the rental car insurance shall be
2 separately itemized in the rental agreement unless
3 preselection of coverage is made in a master, corporate or
4 group agreement.

5

6 (d) For transactions conducted by electronic means,
7 the rental car agent shall comply with the requirements of
8 this section and certify electronically the disclosures
9 required pursuant to subparagraphs (a)(ii)(D), (E) and (F)
10 of this section.

11

12 **26-50-107. Rental car agent prohibitions.**

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14 (a) A rental car agent shall not:

15

16 (i) Offer, sell or solicit the purchase of
17 insurance except in conjunction with or incidental to
18 rental car agreements;

19

20 (ii) Advertise, represent or otherwise portray
21 itself or any of its employees or agents as licensed
22 insurers or insurance producers;

23

1 (iii) Pay any person, including a rental car
2 agent endorsee, any compensation, fee or commission that is
3 dependent solely on the placement of insurance under the
4 license issued pursuant to this chapter. Production
5 payments or incentive payments to a person that are not
6 dependent solely upon the sale of rental car insurance are
7 permissible;

8

9 (iv) Make any statement or engage in any
10 conduct, express or implied, that would lead a customer to
11 believe:

12

13 (A) That the insurance policies offered by
14 the rental car agent do not provide a duplication of
15 coverage already provided by a renter's personal automobile
16 insurance policy or by another source of coverage;

17

18 (B) That the purchase by the renter of
19 rental car insurance is required in order to rent a rental
20 car from the rental car agent; and

21

22 (C) That the rental car agent or the rental
23 car agent's endorsees are qualified to evaluate the
24 adequacy of the renter's existing insurance coverage.

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26-50-108. Enforcement.

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(a) In the event any provision of this chapter is violated by a rental car agent, the commissioner may:

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(i) Revoke or suspend the license issued under this chapter in accordance with W.S. 26-2-125 through 26-2-129;

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(b) If any person sells insurance in connection with or incidental to rental car agreements or holds himself or a company out as a rental car agent without satisfying the requirements of this chapter, the commissioner shall be

1 authorized to issue a cease and desist order pursuant to
2 W.S. 26-2-130.

3

4 **26-50-109. Trust accounts.**

5

6 (a) A rental car agent shall not be required to treat
7 monies collected from renters purchasing rental car
8 insurance as funds received in a fiduciary capacity,
9 provided that:

10

11 (i) The charges for rental car insurance
12 coverage are itemized and ancillary to a rental
13 transaction; and

14

15 (ii) The insurer has consented in writing,
16 signed by an officer of the insurer, that premiums need not
17 be segregated from funds received by the rental car agent.

18

19 **Section 2.** This act is effective immediately upon the
20 completion of all acts required for a bill to become a law
21 as provided by Article 4, Section 8 of the Wyoming
22 Constitution.

23

24

(END)