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NATIONAL COUNCIL OF INSURANCE LEGISLATORS (NCOIL)

Model Act Regarding Disclosure of Rental Vehicle Damage Waivers

**Adopted by the NCOIL Executive Committee on March 1, 2008. Re-adopted by the NCOIL Property & Casualty Insurance Committee on July 12, 2018 and the NCOIL Executive Committee on July 15, 2018; Re-adopted by the NCOIL Property & Casualty Insurance Committee and NCOIL Executive Committee on July 22, 2023.*

****Sponsored by Sen. Alan Sanborn, MI***

Section 1. Purpose

The purpose of this Act is to amend a state's general business/consumer protection law to require that rental vehicle companies make certain disclosures to consumers prior to offering optional rental vehicle damage waivers.

Section 2. Definitions

For the purposes of this Act, the following terms mean:

A. Damage waiver—a provision in an agreement in which a rental vehicle company agrees, for a fee, to waive any claims against a renter of a motor vehicle for any damage to (including loss of use), or theft of, the motor vehicle that occurs during the term of the rental agreement, provided the rental motor vehicle is being operated in accordance with the terms and conditions of the rental agreement.

B. Rental agreement—a written agreement that contains the terms and conditions governing the use of a rented motor vehicle by a consumer for a period of not more than 60 days. The term includes any additional or supplemental agreements executed as part of the rental agreement.

C. Rental vehicle company—any person or organization, or any subsidiary or affiliate, including a franchisee, in the business of providing rental vehicles to the public from locations in this state.

Section 3. Disclosure Requirements

The general business/consumer protection act of the State of [insert state] is hereby amended to include the following:

A. A rental vehicle company shall not offer a damage waiver to a consumer as an optional provision in a rental agreement for a motor vehicle unless the rental agreement contains all of the following statements:

1. the purchase of a damage waiver is optional
2. the purchase of a damage waiver is not required to rent a motor vehicle
3. the renter may wish to contact his or her insurance representative or credit card company to obtain some or all of the following information:
 - a. his or her coverage or protection, if any, for damage to or theft of a rented motor vehicle
 - b. the amount of his or her insurance deductible or out-of-pocket risk for filing a claim for damage to, or theft of, a rented motor vehicle

B. At each place of business in this state at which the rental vehicle company rents motor vehicles to consumers, the rental vehicle company must have written materials or brochures readily available that contain all of the statements described in Paragraph A.

Section 4. Effective Date

This part shall take effect [60 days] after enactment.

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