

HOUSE BILL NO. HB0193

Rental car insurance.

Sponsored by: Representative(s) Illoway, Ross and Simpson  
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

CHAPTER 50

11

RENTAL CAR INSURANCE

12

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 July 1 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 annually by March 31  
18 submit an application to the commissioner for a limited  
19 insurance representative license on forms approved by the  
20 commissioner, and shall pay a ten dollar (\$10.00) annual  
21 fee. No examination shall be required to obtain this  
22 license. Licensees under this subsection shall be subject  
23 to the application requirements established by the  
24 commissioner, the provisions of W.S. 26-9-211 and chapter

1 thirteen (13) of this code, but shall not be subject to  
2 other provisions of this code.

3

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

12

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

16

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

23

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, as well as  
7 the commissioner's consumer hotline number;

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

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

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

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

1

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

6

7 (d) When the rental car insurance is not the primary  
8 source of coverage, the consumer shall be informed in  
9 writing in the rental agreement that his personal insurance  
10 will serve as the primary source of coverage.

11

12 (e) For transactions conducted by electronic means,  
13 the rental car agent shall comply with the requirements of  
14 this section and certify electronically the disclosures  
15 required pursuant to subparagraphs (a)(ii)(D), (E) and (F)  
16 of this section.

17

18 **26-50-107. Rental car agent prohibitions.**

19

20 (a) A rental car agent shall not:

21

22 (i) Offer, sell or solicit the purchase of  
23 insurance except in conjunction with or incidental to  
24 rental car agreements;

1

2           (ii) Advertise, represent or otherwise portray  
3 itself or any of its employees or agents as licensed  
4 insurers or insurance producers;

5

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

13

14           (iv) Make any statement or engage in any  
15 conduct, express or implied, that would lead a customer to  
16 believe:

17

18           (A) That the insurance policies offered by  
19 the rental car agent do not provide a duplication of  
20 coverage already provided by a renter's personal automobile  
21 insurance policy or by another source of coverage;

22

1                   (B) That the purchase by the renter of  
2 rental car insurance is required in order to rent a rental  
3 car from the rental car agent; and

4  
5                   (C) That the rental car agent or the rental  
6 car agent's endorsees are qualified to evaluate the  
7 adequacy of the renter's existing insurance coverage.

8

9                   **26-50-108. Enforcement.**

10

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

13

14                   (i) Revoke or suspend the license issued under  
15 this chapter in accordance with W.S. 26-2-125 through  
16 26-2-129;

17

18                   (ii) After notice and opportunity for hearing  
19 impose such other penalties, including suspending the  
20 transaction of insurance at specific rental locations where  
21 violations have occurred and imposing fines on the manager  
22 or supervisor at each location responsible for the  
23 supervision and conduct of each endorsee, as the

1 commissioner deems necessary or convenient pursuant to W.S.  
2 26-1-107(b) and (c).

3

4 (b) If any person sells insurance in connection with  
5 or incidental to rental car agreements or holds himself or  
6 a company out as a rental car agent without satisfying the  
7 requirements of this chapter, the commissioner shall be  
8 authorized to issue a cease and desist order pursuant to  
9 W.S. 26-2-130.

10

11 **26-50-109. Trust accounts.**

12

13 (a) A rental car agent shall not be required to treat  
14 monies collected from renters purchasing rental car  
15 insurance as funds received in a fiduciary capacity,  
16 provided that:

17

18 (i) The charges for rental car insurance  
19 coverage are itemized and ancillary to a rental  
20 transaction; and

21

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

1

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

6

7

(END)