

HOUSE BILL No. 4553

April 10, 1989, Introduced by Reps. Randall, Johnson and Gilmer and referred to the Committee on Insurance.

A bill to amend Act No. 218 of the Public Acts of 1956, entitled as amended

"The insurance code of 1956,"

as amended, being sections 500.100 to 500.8302 of the Michigan Compiled Laws, by adding section 3137.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 218 of the Public Acts of 1956, as
2 amended, being sections 500.100 to 500.8302 of the Michigan
3 Compiled Laws, is amended by adding section 3137 to read as
4 follows:

5 SEC. 3137. (1) AS USED IN THIS SECTION:

6 (A) "AUTHORIZED DRIVER" MEANS THE PERSON TO WHOM THE MOTOR
7 VEHICLE IS RENTED, HIS OR HER SPOUSE IF A LICENSED DRIVER AND
8 SATISFYING THE RENTAL COMPANY'S MINIMUM AGE REQUIREMENT, HIS OR
9 EMPLOYER OR COWORKER IF ENGAGED IN BUSINESS ACTIVITY WITH THE

1 PERSON TO WHOM THE VEHICLE IS RENTED AND IF A LICENSED DRIVER
2 SATISFYING THE RENTAL COMPANY'S MINIMUM AGE REQUIREMENT; A PERSON
3 WHO OPERATES THE MOTOR VEHICLE DURING AN EMERGENCY SITUATION OR
4 WHILE PARKING THE VEHICLE AT A COMMERCIAL ESTABLISHMENT; OR A
5 PERSON LISTED BY THE RENTAL COMPANY ON THE RENTAL AGREEMENT AS AN
6 AUTHORIZED DRIVER.

7 (B) "CONTROLLED SUBSTANCE" MEANS THAT TERM AS DEFINED BY
8 SECTION 7104 OF THE PUBLIC HEALTH CODE, ACT NO. 368 OF THE PUBLIC
9 ACTS OF 1978, BEING SECTION 333.7104 OF THE MICHIGAN COMPILED
10 LAWS.

11 (C) "DAMAGE" MEANS ANY HARM OR LOSS TO THE RENTED MOTOR
12 VEHICLE INCLUDING LOSS OF USE AND ANY COSTS AND EXPENSES INCIDENT
13 TO THE HARM OR LOSS.

14 (D) "PRIVATE PASSENGER MOTOR VEHICLE" MEANS A MOTOR VEHICLE
15 PRIMARILY INTENDED FOR THE TRANSPORT OF PERSONS, INCLUDING PAS-
16 Senger VANS AND MINIVANS.

17 (E) "RENTAL AGREEMENT" MEANS A WRITTEN AGREEMENT STATING THE
18 TERMS AND CONDITIONS GOVERNING THE USE OF A PRIVATE PASSENGER
19 MOTOR VEHICLE UNDER THE TERMS OF A RENTAL AGREEMENT.

20 (F) "RENTAL COMPANY" MEANS A PERSON OR ORGANIZATION IN THE
21 BUSINESS OF PROVIDING PRIVATE PASSENGER MOTOR VEHICLES TO THE
22 PUBLIC.

23 (G) "RENTER" MEANS A PERSON OR ORGANIZATION OBTAINING THE
24 USE OF A PRIVATE PASSENGER MOTOR VEHICLE FROM A RENTAL COMPANY
25 UNDER THE TERMS OF A RENTAL AGREEMENT.

1 (2) A RENTAL COMPANY, IN RENTAL AGREEMENTS OF 30 CONTINUOUS
2 DAYS OR LESS, SHALL NOT HOLD THE AUTHORIZED DRIVER LIABLE FOR ANY
3 DAMAGE TO THE MOTOR VEHICLE EXCEPT AS FOLLOWS:

4 (A) DAMAGE CAUSED INTENTIONALLY BY AN AUTHORIZED DRIVER OR
5 AS A RESULT OF HIS OR HER WILLFUL AND WANTON MISCONDUCT.

6 (B) DAMAGE ARISING OUT OF AN AUTHORIZED DRIVER'S OPERATION
7 OF THE MOTOR VEHICLE WHILE INTOXICATED OR UNDER THE INFLUENCE OF
8 ANY CONTROLLED SUBSTANCE.

9 (C) DAMAGE CAUSED WHILE THE AUTHORIZED DRIVER IS ENGAGED IN
10 A SPEED CONTEST.

11 (D) DAMAGE ARISING OUT OF THE USE OF THE MOTOR VEHICLE WHILE
12 COMMITTING OR OTHERWISE ENGAGED IN A CRIMINAL ACT IN WHICH THE
13 AUTOMOBILE USAGE IS SUBSTANTIALLY RELATED TO THE NATURE OF THE
14 CRIMINAL ACTIVITY.

15 (E) DAMAGE ARISING OUT OF THE USE OF THE MOTOR VEHICLE TO
16 CARRY PERSONS OR PROPERTY FOR HIRE.

17 (F) DAMAGE ARISING OUT OF THE USE OF THE MOTOR VEHICLE OUT-
18 SIDE OF THE UNITED STATES OR CANADA UNLESS SUCH USE IS SPECIFI-
19 CALLY AUTHORIZED IN THE RENTAL AGREEMENT.

20 (G) THE RENTAL TRANSACTION IS BASED ON INFORMATION SUPPLIED
21 BY THE RENTER WITH THE INTENT TO DEFRAUD THE RENTAL COMPANY.

22 (3) A VIOLATION OF THIS SECTION IS PUNISHABLE BY A FINE OF
23 NOT LESS THAN \$500.00 OR MORE THAN \$1,000.00 FOR EACH VIOLATION.

24 Section 2. This amendatory act shall take effect upon the
25 expiration of 90 days after it is enacted into law.