



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-4726/1
ARG:kjf

2015 ASSEMBLY BILL 942

February 23, 2016 – Introduced by Representative SPIROS, cosponsored by Senator PETROWSKI. Referred to Committee on Insurance.

- 1 **AN ACT** *to amend* 194.41 (1); and *to create* 194.01 (12m) of the statutes;
2 **relating to:** insurance requirements for vehicle rental companies.

Analysis by the Legislative Reference Bureau

This bill specifies the circumstances under which a vehicle rental company is subject to the minimum liability insurance policy limits applicable for motor carriers, rather than the standard policy limits applicable to most vehicles.

Current law provisions relating to motor vehicle insurance requirements require a lessor or rental company to have on file with the Department of Transportation proof of motor vehicle liability insurance as a prerequisite to renting or leasing a motor vehicle for compensation. The minimum policy limits required for this insurance are, for each accident, \$25,000 for bodily injury or death to one person and \$50,000 for bodily injury or death to more than one person, as well as \$10,000 for property damage. For purposes of these provisions, a “lessor” and a “rental company” are defined as a person who, for compensation, leases or rents, respectively, a motor vehicle to a lessee or renter to be operated by or with the consent of the lessee or renter or who acquires a contract for the leasing or renting of a motor vehicle from another person.

Current law provisions relating to motor carriers also require a rental company to have on file with DOT proof of motor vehicle liability insurance as a prerequisite to registering a motor vehicle or obtaining a motor carrier operating permit. The minimum policy limit required for this insurance is generally an amount specified under federal law (generally \$750,000), but for a vehicle with a gross weight of not more than 10,000 pounds that is not transporting hazardous materials it is \$300,000.

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Current law does not define the term “rental company” for purposes of these motor carrier insurance provisions.

This bill creates a definition of “rental company” for purposes of these motor carrier insurance provisions. The bill defines a “rental company” as a person that rents motor vehicles to common motor carriers of property, contract motor carriers, or private motor carriers transporting hazardous materials. The bill also specifies that these motor carrier insurance provisions are applicable only to a rental company’s vehicles that are rented to a common motor carrier of property, contract motor carrier, or private motor carrier transporting hazardous materials.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 194.01 (12m) of the statutes is created to read:

2 194.01 (**12m**) “Rental company” means a person that rents motor vehicles to
3 common motor carriers of property, contract motor carriers, or private motor carriers
4 transporting hazardous materials as listed under 49 CFR 172.101.

5 **SECTION 2.** 194.41 (1) of the statutes is amended to read:

6 194.41 (**1**) No permit or vehicle registration may be issued to a common motor
7 carrier of property, contract motor carrier, or rental company, no permit or vehicle
8 registration may remain in force to operate any motor vehicle under the authority
9 of this chapter, and no vehicle registration may be issued or remain in force for a
10 semitrailer unless the carrier or rental company has on file with the department and
11 in effect an approved certificate for a policy of insurance or other written contract in
12 such form and containing such terms and conditions as may be approved by the
13 department issued by an insurer authorized to do a surety or automobile liability
14 business in this state under which the insurer assumes the liability prescribed by
15 this section with respect to the operation of such motor vehicles. The certificate or
16 other contract is subject to the approval of the department and shall provide that the

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1 insurer shall be directly liable for and shall pay all damages for injuries to or for the
2 death of persons or for injuries to or destruction of property that may be recovered
3 against the owner or operator of any such motor vehicles by reason of the negligent
4 operation thereof in such amount as the department may require. Liability may be
5 restricted so as to be inapplicable to damage claims on account of injury to or
6 destruction of property transported, but the department may require, and with
7 respect to a carrier transporting a building, as defined in s. 348.27 (12m) (a) 1., shall
8 require, a certificate or other contract protecting the owner of the property
9 transported by carriers from loss or damage in the amount and under the conditions
10 as the department may require. No permit or vehicle registration may be issued to
11 a common motor carrier of passengers by any motor vehicle, or other carrier of
12 passengers by motor bus, except those registered in accordance with s. 341.26 (2) (a)
13 and (d), and no permit or vehicle registration may remain in force to operate any
14 motor vehicle unless it has on file with the department a like certificate or other
15 contract in the form and containing the terms and conditions as may be approved by
16 the department for the payment of damages for injuries to property and injuries to
17 or for the death of persons, including passengers, in the amounts as the department
18 may require. This subsection does not apply to a motor carrier that is registered by
19 another state under the unified carrier registration system consistent with the
20 standards under 49 USC 13908 and 14504a. With respect to a rental company, this
21 subsection applies only to the rental company's vehicles that are rented to a common
22 motor carrier of property, contract motor carrier, or private motor carrier
23 transporting hazardous materials as listed under 49 CFR 172.101.

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(END)