

1987 Assembly Bill 811

Date of enactment: April 8, 1988
Date of publication: April 18, 1988

1987 Wisconsin Act 225

AN ACT to amend 114.27; and to create 114.40 of the statutes, relating to disclosure of insurance coverage for persons who rent or lease an aircraft and providing a penalty.

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

SECTION 1. 114.27 of the statutes is amended to read:

114.27 Penalty. Any Except as provided in s. 114.40, any person failing to comply with the requirements, or violating any of the provisions of this chapter shall be guilty of a misdemeanor and punishable by a fine of not more than \$500, or by imprisonment for not more than 90 days, or both.

SECTION 2. 114.40 of the statutes is created to read:

114.40 Disclosure of insurance coverage for renter pilots. (1) DEFINITION. In this section, "rental agent" means a person who, on a regular basis and in the ordinary course of business, rents or leases an aircraft to another person.

(2) REQUIRED DISCLOSURES. Except as provided in sub. (2m), before entering into an agreement to rent or lease an aircraft to another person, the rental agent shall deliver to the person who seeks to rent or lease the aircraft a written notice of insurance coverage which contains all of the following information and is in substantially the following form:

NOTICE OF INSURANCE COVERAGE

1. If you rent or lease an aircraft from (name of rental agent), you (are) (are not) insured under an

insurance policy held by (name of rental agent) for liability arising from the use or maintenance of the aircraft. If liability coverage is provided, it is in the (amount) (amounts) of \$...., and is subject to a deductible in the (amount) (amounts) of \$....

2. If you rent or lease an aircraft from (name of rental agent), you (are) (are not) insured under an insurance policy held by (name of rental agent) for damage to the hull of the aircraft. If hull insurance is provided, it is in the (amount) (amounts) of \$...., and is subject to a deductible in the (amount) (amounts) of \$....

3. If you are insured under an insurance policy held by (name of rental agent), you may ask the rental agent for a copy of the certificate of coverage for further information about any limitations of coverage or other terms of coverage.

4. If you are not insured under an insurance policy held by (name of rental agent), it is recommended that you obtain insurance for liability and damage to the hull of the aircraft which may arise from your use of the aircraft.

.... (Signature of rental agent
or representative of
rental agent)

The undersigned acknowledges receipt of an exact copy of this notice on (date).

.... (Signature)

(2m) **EFFECTIVE PERIOD OF NOTICE.** If a rental agent delivers a notice under sub. (2), the rental agent is not required to deliver another notice to the person who received the notice for 12 months after the date of the notice if the notice states the period of its effectiveness.

(3) **INSPECTION OF CERTIFICATE.** If an insurance policy held by a rental agent provides insurance coverage for a person who rents or leases an aircraft from the rental agent, the rental agent shall, upon request by a person who receives the notice under sub. (2), deliver to that person a copy of the certificate of coverage which was issued to the rental agent.

(4) **RETENTION AND MATERIALITY OF NOTICE.** (a) The rental agent shall maintain a copy of the notice

delivered under sub. (2) for at least 3 years from the date of the notice.

(b) The notice required under sub. (2) is a material part of an agreement between a rental agent and another person for the rental or lease of an aircraft.

(5) **CIVIL PENALTY.** Notwithstanding s. 114.27, whoever violates sub. (2) may be required to forfeit not more than \$1,000.

SECTION 3. Initial applicability. The treatment of sections 114.27 and 114.40 of the statutes first applies to an agreement to rent or lease an aircraft which is entered into on the first day of the 6th month beginning after publication.