

GENERAL ASSEMBLY OF NORTH CAROLINA
1989 SESSION

CHAPTER 631
HOUSE BILL 324

AN ACT TO AUTHORIZE AUTOMOBILE LIABILITY INSURERS TO OFFER COVERAGE FOR DAMAGE TO RENTAL VEHICLES DRIVEN BY THEIR INSUREDS; TO PROHIBIT CERTAIN ADVERTISING AND SALES PRACTICES OF RENTAL CAR COMPANIES; AND TO CLARIFY THE LAW REGARDING SALES OF INSURANCE BY RENTAL CAR COMPANY EMPLOYEES.

The General Assembly of North Carolina enacts:

Section 1. Article 12B of Chapter 58 of the General Statutes is amended by adding a new section to read:

"§ 58-124.34. Coverage for damage to rental vehicles authorized.

Every member of the Bureau is authorized to offer and provide, as a supplemental extension of property damage liability coverage in nonfleet private passenger motor vehicle insurance policies, coverage for property damage to rented motor vehicles caused by persons insured under such policies."

Sec. 2. Chapter 66 of the General Statutes is amended by adding a new Article to read:

"ARTICLE 27.

"Rental Car Advertising and Sales Practices.

"§ 66-190. Scope.

This Article applies to all persons renting vehicles from locations within this State.

"§ 66-191. Definitions.

As used in this Article:

- (1) 'Collision damage waiver' means any contract or contractual provision, whether separate from or a part of a rental agreement, whereby the rental car company agrees for a charge to waive any and all claims against the renter for any damages to the rented vehicle during the term of the rental agreement.
- (2) 'Damage' means any damage or loss to the rented vehicle, including loss of use and any costs and expenses incident to the damage or loss.
- (3) 'Person' includes an individual, aggregation of individuals, corporation, company, association, or partnership.
- (4) 'Rental agreement' means any written agreement setting forth the terms and the conditions governing the use of a vehicle provided by the rental car company.

- (5) 'Rental car company' means any person in the business of providing vehicles to the public.
- (6) 'Renter' means any person obtaining the use of a vehicle from a rental car company under the terms of a rental agreement.
- (7) 'Vehicle' means a motor vehicle of the private passenger type including passenger vans and minivans that are primarily intended for transport of persons.

"§ 66-192. Rental car advertising.

(a) A rental car company shall only advertise and charge a rental rate that includes the entire amount, except taxes and a mileage charge if any, that a renter must pay to hire or lease a vehicle for the period of time to which the rental rate applies.

(b) If a rental car company states a rental rate in a print advertisement or an in-person or computer-transmitted quotation, the rental car company shall clearly disclose or cause to be disclosed in that advertisement or quotation the terms of any mileage conditions relating to the advertised or quoted rental rate, including, but not limited to: To the extent applicable, the amount of mileage and fuel charges; the number of miles for which no charge will be imposed; and a description of the geographic driving limitations, if any, within the United States and Canada.

(c) A rental car company shall also include in all advertising the daily rate it charges for collision damage waivers; shall state in such advertising that collision damage waivers are not required; and shall state that prospective renters should examine or inquire about their automobile insurance policies to see whether such policies will cover damage to rental vehicles.

(d) An advertised rental rate does not have to include airport access charges that may be avoided, as long as the advertisement clearly and conspicuously discloses, immediately adjacent to the advertised rate, the range of airport access charges that exists in the area to which the advertised rental rate applies and clearly and conspicuously discloses the method of avoiding the airport access charge.

"§ 66-193. Prohibited charges.

(a) No rental car company may charge, in addition to the rental rate, taxes, and mileage charge, if any, any fee that must be paid by the renter as a condition of hiring or leasing a vehicle, such as, but not limited to, required fuel charges or any fee for transporting the renter to the location where the rented vehicle will be delivered to that person.

(b) If a rental car company delivers a vehicle to a person at a location other than the location where the rental car company normally carries on its business, the rental car company shall not charge that person any amount for the rental for the period before the delivery of the vehicle. If a rental car company picks up a rented vehicle from a person at a location other than the location where the rental car company normally carries on its business the rental car company shall not charge to the renter any amount for the rental for the period after the rented vehicle is available for pickup in accordance with the notification given to the rental car company to pick up the rented vehicle.

"§ 66-194. Permitted charges.

(a) In addition to the rental rate, taxes, and mileage charge, if any, a rental car company may charge a renter for an item or service provided in connection with a particular rental transaction if the renter can avoid incurring that charge by choosing not to obtain or utilize the optional item or service. Items and services for which a rental car company may impose an additional charge include, but are not limited to: Optional insurance and accessories requested by the renter unless otherwise prohibited by law; service charges incident to a person's optional return of the vehicle to a location other than the location where the vehicle was hired or leased; airport access charges that may be avoided by the renter, provided the requirements of G.S. 66-192(d) are met; and charges for refueling the vehicle at the conclusion of the rental transaction in the event the rented vehicle is not returned with as much fuel as was in its fuel tank at the beginning of the rental.

(b) A rental car company may also impose an additional charge based on reasonable driving experience criteria established by the rental car company.

"§ 66-195. Agent licenses required.

No employee or other representative of a rental car company shall solicit or sell any kind of insurance in connection with a rental agreement unless he is duly licensed under Article 45 of Chapter 58 of the General Statutes.

"§ 66-196. Effects of violations.

Any violation of the provisions of this Article constitutes an unfair trade practice under G.S. 75-1.1."

Sec. 3. This act shall become effective October 1, 1989.

In the General Assembly read three times and ratified this the 12th day of July, 1989.