

STAFF MEASURE SUMMARY

House Committee On Business and Labor

**Fiscal:** No Fiscal Impact

**Revenue:** No Revenue Impact

**Action Date:** 04/15/15

**Action:** Do Pass.

**Meeting Dates:** 03/16, 04/15

**Vote:**

Yeas: 11 - Barreto, Barton, Doherty, Esquivel, Evans, Fagan, Heard, Holvey, Kennemer, Nosse, Weidner

**Prepared By:** Jan Nordlund, Committee Administrator

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**WHAT THE MEASURE DOES:**

Provides that limited license obtained by rental company to sell insurance in connection with renting vehicles also extends to rental company's employees and designated agents. Becomes operative 91 days after effective date of Act. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Hotel and airport employees serve as agents of rental car companies
- Extending limited license to agents of rental car companies
- Issues regarding who can sell under the limited license have not arisen, but industry seeks statutory clarity

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**BACKGROUND:**

Currently ORS 744.852 provides that rental car companies may be issued a limited insurance license if the following criteria are satisfied: the rental agreement is for a period of 90 consecutive days or less; at every location where rental agreements are executed, written material that the Director of the Department of Consumer and Business Services has approved is available to prospective renters that summarizes clearly and correctly the material terms of the coverage offered and identifies the insurer; the company discloses that the coverage the rental company offers might duplicate coverage already provided by a renter's personal motor vehicle liability insurance policy, personal liability insurance policy or other source of coverage; it is stated that purchasing the coverage offered is not required in order to rent a vehicle; a description is provided for the process for filing a claim; and the rental agreement separately discloses the price for the coverage purchased.

A limited license issued by the Department of Consumer and Business Services is required to sell insurance coverage for certain items, including rental cars, self-service storage units and portable electronics. House Bill 2958 amends existing statutes governing limited licenses for the sale of insurance on rental cars to allow an individual employee or designated agent of the car rental company to perform any act that the rental company may perform under the limited license. It has been the practice that employees and agents of the rental car company sell insurance under the company's limited license; this measure codifies the existing practice. An agent could include an employee of an airport, vehicle repair shop, or hotel where the customer is making the transaction to rent the vehicle.