

Enrolled House Bill 2958

Sponsored by Representative BENTZ (at the request of Car and Truck Rental and Leasing Association)

CHAPTER

AN ACT

Relating to limited licenses to sell insurance in connection with vehicle rentals; creating new provisions; amending ORS 744.852 and 744.856; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 744.852 is amended to read:

744.852. (1) The Director of the Department of Consumer and Business Services shall adopt rules *[establishing]* **to specify** information *[required to be submitted by]* **that** rental companies **must submit in** applying for a limited license.

(2) A rental company that intends to offer insurance as described in ORS 744.854 shall file a limited license application with the director in such form and containing such information as the director requires.

(3) *[Upon receipt of]* **After receiving** an application, *[if the director is satisfied that the application is complete]*, the director may issue a limited license to the rental company. **if the director is satisfied that the application is complete. A limited license that the director issues to the rental company under this section is also a limited license for an employee or designated agent of the rental company to offer and sell insurance in accordance with ORS 744.854 for vehicles that the rental company rents.**

SECTION 2. ORS 744.856 is amended to read:

744.856. (1) A rental company *[issued]* **that obtains** a limited license under ORS 744.852 may not *[issue]* **offer or sell** insurance pursuant to ORS 744.854 unless:

(a) The rental agreement is for a period of 90 consecutive days or less.

(b) At every location where rental agreements are executed, *[there is]* written material **is** available to prospective renters that:

(A) Summarizes clearly and correctly the material terms of the coverage offered and identifies the insurer;

(B) Discloses that the coverage *[offered by]* **that** the rental company *[may]* **offers might** duplicate coverage *[already provided by]* **that** a renter's personal motor vehicle liability insurance policy, personal liability insurance policy or other source of coverage **already provides;**

(C) States that *[the purchase of]* **purchasing** the coverage offered is not required in order to rent a vehicle; and

(D) Describes the process for filing a claim.

(c) *[The written material referred to in paragraph (b) of this subsection has been filed with and approved by]* **The rental company has filed the written material described in paragraph (b) of**

this subsection with the Director of the Department of Consumer and Business Services and the director has approved the written material.

(d) The rental agreement separately discloses the price for the coverage purchased.

(2) A rental company *[issued]* **that obtains** a limited license under ORS 744.852 must conduct a training program for **the rental company's employees and designated agents** concerning kinds of coverage *[offered by the company]* **the rental company offers**. The **rental company shall file the syllabus** for the training program *[shall be filed]* annually with the Director of the Department of Consumer and Business Services *[by the rental company and is subject to]* **and obtain the director's approval** *[by the director]*. The rental company shall certify annually to the director that all **of the rental company's employees and designated agents who are** involved in *[the sale or offer of]* **selling or offering** coverage to members of the public have completed or will complete the training program *[prior to conducting such]* **before making** sales or offers. The rental company shall also certify annually to the director that *[all such]* **the rental company's employees and designated agents** will receive continuing education on a regular basis concerning the topics covered in the training program. The **Department of Consumer and Business Services may audit the** rental company's compliance with *[its]* **the rental company's** certification to the director and with the *[filed]* training program syllabus **the rental company filed** *[is subject to audit by the Department of Consumer and Business Services]*.

(3) A rental company *[issued]* **that obtains** a limited license under ORS 744.852 may not advertise, represent or otherwise hold *[itself or its]* **the rental company or employees or designated agents of the rental company** out as licensed insurers or insurance producers.

(4) A rental company *[issued]* **that obtains** a limited license under ORS 744.852 may offer and sell insurance only in connection with and incidental to the rental of vehicles.

(5) A rental company *[issued]* **that obtains** a limited license under ORS 744.852 shall designate an executive as the statewide filing officer for the rental company.

SECTION 3. (1) The amendments to ORS 744.852 and 744.856 by sections 1 and 2 of this 2015 Act become operative 91 days after the effective date of this 2015 Act.

(2) The Director of the Department of Consumer and Business Services may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the director to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the director by the amendments to ORS 744.852 and 744.856 by sections 1 and 2 of this 2015 Act.

SECTION 4. This 2015 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect on its passage.

Passed by House April 23, 2015

Repassed by House June 11, 2015

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate June 9, 2015

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Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2015

Approved:

.....M.,....., 2015

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2015

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Jeanne P. Atkins, Secretary of State