

# SB1732



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

SB1732

Introduced 2/9/2017, by Sen. Antonio Muñoz

#### SYNOPSIS AS INTRODUCED:

625 ILCS 5/6-305.2

Amends the Illinois Vehicle Code. Provides that a person renting a motor vehicle to another may immediately collect an insurance deductible from a renter for any visible damage to a rented vehicle that exceeds \$500 without the renter's personal insurance company first assessing the damage to the vehicle or processing the insurance claim.

LRB100 08682 AXK 18817 b

A BILL FOR

1 AN ACT concerning transportation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Vehicle Code is amended by changing  
5 Section 6-305.2 as follows:

6 (625 ILCS 5/6-305.2)

7 Sec. 6-305.2. Limited liability for damage.

8 (a) Damage to private passenger vehicle. A person who rents  
9 a motor vehicle to another may hold the renter liable to the  
10 extent permitted under subsections (b) through (d) for physical  
11 or mechanical damage to the rented motor vehicle that occurs  
12 during the time the motor vehicle is under the rental  
13 agreement.

14 (b) Limits on liability: vehicle MSRP \$50,000 or less. The  
15 total liability of a renter under subsection (a) for damage to  
16 a motor vehicle with a Manufacturer's Suggested Retail Price  
17 (MSRP) of \$50,000 or less may not exceed all of the following:

18 (1) The lesser of:

19 (A) Actual and reasonable costs that the person who  
20 rents a motor vehicle to another incurred to repair the  
21 motor vehicle or that the rental company would have  
22 incurred if the motor vehicle had been repaired, which  
23 shall reflect any discounts, price reductions, or

1 adjustments available to the rental company; or

2 (B) The fair market value of that motor vehicle  
3 immediately before the damage occurred, as determined  
4 in the customary market for the retail sale of that  
5 motor vehicle; and

6 (2) Actual and reasonable costs incurred by the loss  
7 due to theft of the rental motor vehicle up to \$2,000;  
8 provided, however, that if it is established that the  
9 renter or an authorized driver failed to exercise ordinary  
10 care while in possession of the vehicle or that the renter  
11 or an authorized driver committed or aided and abetted the  
12 commission of the theft, then the damages shall be the  
13 actual and reasonable costs of the rental vehicle up to its  
14 fair market value, as determined by the customary market  
15 for the sale of that vehicle.

16 For purposes of this subsection (b), for the period prior  
17 to June 1, 1998, the maximum amount that may be recovered from  
18 an authorized driver shall not exceed \$6,000; for the period  
19 beginning June 1, 1998 through May 31, 1999, the maximum  
20 recovery shall not exceed \$7,500; and for the period beginning  
21 June 1, 1999 through May 31, 2000, the maximum recovery shall  
22 not exceed \$9,000. Beginning June 1, 2000, and annually each  
23 June 1 thereafter, the maximum amount that may be recovered  
24 from an authorized driver shall be increased by \$500 above the  
25 maximum recovery allowed immediately prior to June 1 of that  
26 year.

1 (b-5) Limits on liability: vehicle MSRP more than \$50,000.  
2 The total liability of a renter under subsection (a) for damage  
3 to a motor vehicle with a Manufacturer's Suggested Retail Price  
4 (MSRP) of more than \$50,000 may not exceed all of the  
5 following:

6 (1) the lesser of:

7 (A) actual and reasonable costs that the person who  
8 rents a motor vehicle to another incurred to repair the  
9 motor vehicle or that the rental company would have  
10 incurred if the motor vehicle had been repaired, which  
11 shall reflect any discounts, price reductions, or  
12 adjustments available to the rental company; or

13 (B) the fair market value of that motor vehicle  
14 immediately before the damage occurred, as determined  
15 in the customary market for the retail sale of that  
16 motor vehicle; and

17 (2) the actual and reasonable costs incurred by the  
18 loss due to theft of the rental motor vehicle up to  
19 \$40,000.

20 The maximum recovery for a motor vehicle with a  
21 Manufacturer's Suggested Retail Price (MSRP) of more than  
22 \$50,000 under this subsection (b-5) shall not exceed \$40,000 on  
23 the effective date of this amendatory Act of the 99th General  
24 Assembly. On October 1, 2016, and for the next 3 years  
25 thereafter, the maximum amount that may be recovered from an  
26 authorized driver under this subsection (b-5) shall be

1 increased by \$2,500 above the prior year's maximum recovery. On  
2 October 1, 2020, and for each year thereafter, the maximum  
3 amount that may be recovered from an authorized driver under  
4 this subsection (b-5) shall be increased by \$1,000 above the  
5 prior year's maximum recovery.

6 (c) Multiple recoveries prohibited. Any person who rents a  
7 motor vehicle to another may not hold the renter liable for any  
8 amounts that the rental company recovers from any other party.

9 (d) Repair estimates. A person who rents a motor vehicle to  
10 another may not collect or attempt to collect the amount  
11 described in subsection (b) or (b-5) unless the rental company  
12 obtains an estimate from a repair company or an appraiser in  
13 the business of providing such appraisals on the costs of  
14 repairing the motor vehicle, makes a copy of the estimate  
15 available upon request to the renter who may be liable under  
16 subsection (a), or the insurer of the renter, and submits a  
17 copy of the estimate with any claim to collect the amount  
18 described in subsection (b) or (b-5). In order to collect the  
19 amount described in subsection (b-5), a person renting a motor  
20 vehicle to another must also provide the renter's personal  
21 insurance company with reasonable notice and an opportunity to  
22 inspect damages. A person renting a motor vehicle to another  
23 may immediately collect an insurance deductible from a renter  
24 for any visible damage to a rented vehicle that exceeds \$500  
25 without the renter's personal insurance company first  
26 assessing the damage to the vehicle or processing the insurance

1 claim.

2 (d-5) In the event of loss due to theft of the rental motor  
3 vehicle with a MSRP more than \$50,000, the rental company shall  
4 provide reasonable notice of the theft to the renter's personal  
5 insurance company.

6 (e) Duty to mitigate. A claim against a renter resulting  
7 from damage or loss to a rental vehicle must be reasonably and  
8 rationally related to the actual loss incurred. A rental  
9 company shall mitigate damages where possible and shall not  
10 assert or collect any claim for physical damage which exceeds  
11 the actual costs of the repair, including all discounts or  
12 price reductions.

13 (f) No rental company shall require a deposit or an advance  
14 charge against the credit card of a renter, in any form, for  
15 damages to a vehicle which is in the renter's possession,  
16 custody, or control. No rental company shall require any  
17 payment for damage to the rental vehicle, upon the renter's  
18 return of the vehicle in a damaged condition, until after the  
19 cost of the damage to the vehicle and liability therefor is  
20 agreed to between the rental company and renter or is  
21 determined pursuant to law.

22 (g) If insurance coverage exists under the renter's  
23 personal insurance policy and the coverage is confirmed during  
24 regular business hours, the renter may require that the rental  
25 company must submit any claims to the renter's personal  
26 insurance carrier as the renter's agent. The rental company

1 shall not make any written or oral representations that it will  
2 not present claims or negotiate with the renter's insurance  
3 carrier. For purposes of this Section, confirmation of coverage  
4 includes telephone confirmation from insurance company  
5 representatives during regular business hours. After  
6 confirmation of coverage, the amount of claim shall be resolved  
7 between the insurance carrier and the rental company.

8 (Source: P.A. 99-201, eff. 10-1-15.)