

AN ACT concerning transportation.

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

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

(625 ILCS 5/6-305.2)

Sec. 6-305.2. Limited liability for damage.

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

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

(1) The lesser of:

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

adjustments available to the rental company; or

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

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

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

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

(1) the lesser of:

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

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

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

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

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

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

(d) Repair estimates. A person who rents a motor vehicle to another may not collect or attempt to collect the amount described in subsection (b) or (b-5) unless the rental company obtains an estimate from a repair company or an appraiser in the business of providing such appraisals on the costs of repairing the motor vehicle, makes a copy of the estimate available upon request to the renter who may be liable under subsection (a), or the insurer of the renter, and submits a copy of the estimate with any claim to collect the amount described in subsection (b) or (b-5). In order to collect the amount described in subsection (b-5), a person renting a motor vehicle to another must also provide the renter's personal insurance company with reasonable notice and an opportunity to inspect damages.

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

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

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

(g) If insurance coverage exists under the renter's personal insurance policy and the coverage is confirmed during regular business hours, the renter may require that the rental company must submit any claims to the renter's personal insurance carrier as the renter's agent. The rental company shall not make any written or oral representations that it will not present claims or negotiate with the renter's insurance carrier. For purposes of this Section, confirmation of coverage includes telephone confirmation from insurance company representatives during regular business hours. After

confirmation of coverage, the amount of claim shall be resolved between the insurance carrier and the rental company.

(Source: P.A. 90-113, eff. 7-14-97.)

Section 10. The Renter's Financial Responsibility and Protection Act is amended by changing Section 15 as follows:

(625 ILCS 27/15)

Sec. 15. Prohibited practices.

(a) A rental company may not sell a damage waiver unless the renter agrees to the damage waiver in writing at or prior to the time the rental agreement is executed.

(b) A rental company may not void a damage waiver except for one or more of the following reasons:

(1) Damage or loss while the rental vehicle is used to carry persons or property for a charge or fee.

(2) Damage or loss during an organized or agreed upon racing or speed contest or demonstration or pushing or pulling activity in which the rental vehicle is actively involved.

(3) Damage or loss that could reasonably be expected from an intentional or criminal act of the driver other than a traffic infraction.

(4) Damage or loss to any rental vehicle resulting from any auto business operation, including but not limited to repairing, servicing, testing, washing, parking, storing,

or selling of automobiles.

(5) Damage or loss occurring to a rental vehicle if the rental contract is based on fraudulent or material misrepresentation by the renter.

(6) Damage or loss arising out of the use of the rental vehicle outside the continental United States when such use is specifically prohibited in the rental agreement.

(7) Damage or loss occurring while the rental vehicle is operated by a driver not permitted under the rental agreement.

(8) Damage or loss occurring while the rental vehicle is operated by a driver under the influence of alcohol, other drug or drugs, intoxicating compound or compounds, or any combination thereof and convicted of violating subsection (a) of Section 11-501 of the Illinois Vehicle Code.

(c) A rental company shall not charge more than \$12.50 per full or partial 24 hour rental day for a collision damage waiver prior to January 1, 2014. Beginning January 1, 2014, a rental company shall not charge more than \$13.50 per full or partial 24 hour rental day for a collision damage waiver.

(d) A rental company may offer a collision damage waiver on any rental vehicle having a value in excess of a Manufacturer's Suggested Retail Price (MSRP) of \$50,000; however, the provisions of subsection (c) of this Section shall not apply to collision damage waivers under this subsection (d).

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(Source: P.A. 98-428, eff. 8-16-13.)

Section 99. Effective date. This Act takes effect October 1, 2015.