

Representative Greg J. Curtis proposes the following substitute bill:

**RECOVERY OF DAMAGES FOR LOSS OF USE
OF A MOTOR VEHICLE**

2002 GENERAL SESSION

STATE OF UTAH

Sponsor: Greg J. Curtis

This act modifies the Insurance Code to specify how damages for loss of use of a rental vehicle and administrative fees are calculated.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

31A-22-311, as last amended by Chapter 316, Laws of Utah 1994

ENACTS:

31A-22-312.5, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **31A-22-311** is amended to read:

31A-22-311. Definitions.

As used in Sections 31A-22-312, 31A-22-312.5, and 31A-22-314:

(1) "Administrative fee" means a fee collected under Section 31A-22-312.5 to offset expenses incurred in administrating the collection and resolution of a claim.

~~(1)~~ (2) "Authorized driver" means the person to whom the vehicle is rented and includes:

(a) his spouse if a licensed driver satisfying the rental company's minimum age requirement;

(b) his employer or coworker if engaged in business activity with the renter and if they are licensed drivers satisfying the rental company's minimum age requirement;

(c) any person who operates the vehicle during an emergency situation;

(d) any person who operates the vehicle while parking the vehicle at a commercial



26 establishment; or

27 (e) any person expressly listed by the rental company on the rental agreement as an
28 authorized driver.

29 ~~[(2)]~~ (3) "Damage" means any damage or loss to the rented vehicle ~~[resulting from a~~
30 ~~collision,]~~ including:

31 (a) loss of use [and] ~~h [during the time that is reasonably necessary to repair or replace a~~
32 ~~motor vehicle, as calculated under Section 31A-22-312.5] h ;~~

33 (b) any costs and expenses incident to the damage or loss[-];

34 (c) an administrative fee associated with the loss, as calculated under Section
35 31A-22-312.5; and

36 (d) any diminution of value of the rental vehicle as a result of the damage or loss.

37 ~~[(3)]~~ (4) "Rental agreement" means any written agreement stating the terms and conditions
38 governing the use of a private passenger motor vehicle provided by a rental company.

39 ~~[(4)]~~ (5) "Rental company" means any person or organization in the business of providing
40 private passenger motor vehicles to the public.

41 ~~[(5)]~~ (6) "Renter" means any person or organization obtaining the use of a private
42 passenger motor vehicle from a rental company under the terms of a rental agreement.

43 Section 2. Section 31A-22-312.5 is enacted to read:

44 31A-22-312.5. h [Calculation of damages for loss of use --] h Limitation of administrative
45 fee.

46 h [(1) Damages for loss of use of a rental vehicle shall be calculated based on a good faith
47 estimate of the number of hours of labor needed to repair or replace the parts of the vehicle that
48 are damaged, limited to a maximum of 30 days, calculated under the following schedule, utilizing
49 the h [daily] h rental rate h [on the] IN THE ACTUAL h h rental agreement, not including any
49a additional charges:

50 — (a) one day loss of use will be calculated for every four hours of labor time from the repair
51 estimate;

52 — (b) two days for weekends shall be added for every five repair days;

53 — (c) three days for administration shall be added to account for time needed to:

54 — (i) obtain an estimate; and

55 — (ii) transport the vehicle to and from the repair facility.

56 — (2) In the event of a total loss of the vehicle, damages for loss of use may not exceed 30] h

57 h [~~days:~~

58 ~~— (3) h~~ An administrative fee may not exceed:

59 h [~~(a)~~] (1) h \$50 when the estimated damage to the rental vehicle is \$250 or less;

60 h [~~(b)~~] (2) h \$75 when the estimated damage to the rental vehicle is between \$251 and \$500;

61 h [~~(c)~~] (3) h \$100 when the estimated damage to the rental vehicle is between \$501 and \$750;

62 h [~~(d)~~] (4) h \$150 when the estimated damage to the rental vehicle is between \$751 and

62a \$1,500;

63 h [~~(e)~~] (5) h \$200 when the estimated damage to the rental vehicle is between \$1,500 and

63a \$2,500;

64 and

65 h [~~(f)~~] (6) h \$250 when the estimated damage to the rental vehicle exceeds \$2,501.