

**RECOVERY OF ADMINISTRATIVE FEE FOR DAMAGES
SUSTAINED TO A RENTAL MOTOR VEHICLE**

2002 GENERAL SESSION

STATE OF UTAH

Sponsor: Greg J. Curtis

This act modifies the Insurance Code to authorize an administrative fee for damage sustained to a rental vehicle.

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 administering the collection and resolution of a claim.

[~~(+)~~] (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 establishment; or

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

[~~(2)~~] (3) "Damage" means any damage or loss to the rented vehicle [~~resulting from a~~

collision,] including:

- (a) loss of use [~~and~~];
- (b) any costs and expenses incident to the damage or loss[-];
- (c) an administrative fee associated with the loss, as calculated under Section 31A-22-312.5;

and

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

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

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

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

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

31A-22-312.5. Limitation of administrative fee.

An administrative fee may not exceed:

- (1) \$50 when the estimated damage to the rental vehicle is \$250 or less;
- (2) \$75 when the estimated damage to the rental vehicle is between \$251 and \$500;
- (3) \$100 when the estimated damage to the rental vehicle is between \$501 and \$750;
- (4) \$150 when the estimated damage to the rental vehicle is between \$751 and \$1,500;
- (5) \$200 when the estimated damage to the rental vehicle is between \$1,501 and \$2,500; and
- (6) \$250 when the estimated damage to the rental vehicle exceeds \$2,501.