

Senator John L. Valentine proposes the following substitute bill:

**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 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~~];

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

33 (c) an administrative fee associated with the loss, as calculated under Section

34 31A-22-312.5; and

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

36 [~~(3)~~] (4) "Rental agreement" means any written agreement stating the terms and conditions
37 governing the use of a private passenger motor vehicle provided by a rental company.

38 [~~(4)~~] (5) "Rental company" means any person or organization in the business of providing
39 private passenger motor vehicles to the public.

40 [~~(5)~~] (6) "Renter" means any person or organization obtaining the use of a private
41 passenger motor vehicle from a rental company under the terms of a rental agreement.

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

43 **31A-22-312.5. Limitation of administrative fee.**

44 An administrative fee may not exceed:

45 (1) \$50 when the estimated damage to the rental vehicle is \$250 or less;

46 (2) \$75 when the estimated damage to the rental vehicle is between \$251 and \$500;

47 (3) \$100 when the estimated damage to the rental vehicle is between \$501 and \$750;

48 (4) \$150 when the estimated damage to the rental vehicle is between \$751 and \$1,500;

49 (5) \$200 when the estimated damage to the rental vehicle is between \$1,501 and \$2,500;

50 and

51 (6) \$250 when the estimated damage to the rental vehicle exceeds \$2,501.