

MINUTES

MONTANA SENATE 52nd LEGISLATURE - REGULAR SESSION COMMITTEE ON BUSINESS & INDUSTRY

Call to Order: By Chairman J.D. Lynch, on February 18, 1991, at 10:00 a.m.

ROLL CALL

Members Present:

J.D. Lynch, Chairman (D)
John Jr. Kennedy, Vice Chairman (D)
Betty Bruski (D)
Eve Franklin (D)
Delwyn Gage (R)
Thomas Hager (R)
Jerry Noble (R)
Gene Thayer (R)
Bob Williams (D)

Members Excused: None

Staff Present: Bart Campbell (Legislative Council).

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Announcements/Discussion: None

HEARING ON SENATE BILL 324

Presentation and Opening Statement by Sponsor:

Senator Bob Williams, sponsor of the bill, presented the bill (See Exhibit 1 and Exhibit 1A).

Proponents' Testimony:

Steve Browning, a private attorney speaking on behalf of state farm insurance, stated that this piece of legislation is based on the national association of insurance commissioners model legislation. It has been enacted in a number of states. It is a consumer bill, and it avoids the confusion in a person's mind when they go to rent a car. The responsibility of coverage is with the car rental company, and there is no liability as a renter unless you intentionally inflict damage on that car.

Jacqueline Terrell, representing the American insurance association, spoke in favor of the bill (See Exhibit 2).

Opponents' Testimony:

Larry Akey, speaking on behalf of the Montana car rental association, stated that SB 324 is not a consumer bill. This bill tilts the scales away from small independent Montana business people in favor of big national insurance companies. The courts in this state have said that the contract for rental cars is not an insurance contract. When the renter takes the car, he does so with the implied contract that he return the car in the same condition in which he rented it with the ordinary wear and tear. If he fails to do so, the responsibility then rests with the renter to demonstrate that the damage occurred not as a result of his negligence. This bill says the renter has no responsibility for damage that is caused to the car with a few exceptions. If this bill is passed, the cost of car rentals will go up. If the costs of car rentals go up, the number of tourists coming in to see the state's national attractions from destination points in Montana likely fall. If this bill passes, there will be an increase of irresponsibility on the part of the renter. Nobody is forced to take the collision damage waiver when they rent a vehicle, in fact collision damage waivers have fallen off substantially in the last couple years since the last time the senate heard this bill. This bill hurts the consumer in two ways: you are driving the costs of car rentals up, and second you are removing any freedom of choice that these consumers might have.

Richard Correll, representing National car rental of Montana, stated that most rental companies are called self insured. That means that they do not have collision damage on their cars, merely because it is just too expensive. The only way that they can recover some of the damage that can happen to their cars is through CDW charges. Cars cost approximately fifteen thousand dollars to get on the road. A person comes in from out of state, the car rental agency doesn't know their driving record other than the fact that they have a driver's license; where can you go today and get fifteen thousand dollars worth of product and have no responsibility? There is only one way for the car rental company to absorb this damage, and that is to increase their prices. Rentals in Montana are already high, in fact they are higher than in most states because Montana's season is so small. The car rental companies have to make money in June, July, and August, because very few people come to Montana in February to rent cars as tourists. This would become a mandatory bill, because they will have to pass along the expenses to the customer.

Steve Turkiewicz, executive vice president of the Montana automobile dealers association, spoke in favor of the bill (See Exhibit 3).

Rob DeMarois, budget rent a car in Missoula, Great Falls, and Billings, stated that he is opposed to this bill for two primary reasons: The renter has to be responsible for the car, it is very important to the extent that at least he will take

reasonable care for it. If this bill passed it would be saying to the renter to go out and do whatever he wants to do to the car, he would have no liability for it. The current situation is a good situation. He stated that they want the renting customer to be responsible for the car. Most people provide coverage through their own existing policy, this is by far the cheapest way of protection.

Questions From Committee Members:

Senator Noble asked how many rental cars in Montana are rented by in state or out state people.

Larry Akey stated that the bulk of cars rented from the airport rental agencies do come from out of state renters. The numbers tilt a little bit more in favor of in state renters when talking about rentals by people who sell automobiles in the state that provide rental service by a means of motor cars or service cars while privately owned vehicles are in for service.

Senator Noble asked if rent a wreck vehicles are mostly rented locally.

Larry Akey replied that those rental agencies that are off airport generally have a tendency to have more of a local clientele than those that are on airport.

Senator Noble asked if rent a wreck insurance policies are the same as national companies, and if their rates are lower.

Richard Currell stated that off airport rental companies do not pay airport fees, and normally do not have the system fees that national or independent auto rental companies have to pay. Therefore, they can afford to rent the car for cheaper.

Senator Thayer asked Steve Browning about his comment of the National insurance association model legislation, is the exact model language or is this just a pattern effort.

Steve Browning stated that it is very close.

Senator Thayer asked how many states have adopted this legislation so far.

Steve Browning stated roughly ten states.

Susan Witte, chief legal council with the state auditor's office, stated that there are two states that have adopted this exact model.

Senator Hager stated that he understood Richard Correll to say that a CDW was needed to make the renter responsible.

Richard Correll responded that they want the renter to be responsible for the car. If he chooses not to purchase the CDW, that's a voluntary thing. Someone has to be responsible for the rental car.

Senator Bruski commented that she was called to Spokane on emergency a couple years ago. She rented a small Geo, the rental was quite cheap. She called her insurance company and asked if she was covered, they said she was covered but he was told if a customer came and asked about whether they could sign on with her company on the agreement. He said he was advised to have her get a taxi cab. Because of the conflict between your private insurance and the company insurance that the estimates were never quite the same. Her emergency stay ended up to be thirty days in

Spokane, it costs her three hundred dollars to insure her rental car.

Closing by Sponsor:

Senator Bob Williams stated that this bill will eliminate any confusion when an individual goes to rent a vehicle. This is a consumer bill.

HEARING ON SENATE BILL 335

Presentation and Opening Statement by Sponsor:

Senator Jerry Noble, sponsor of the bill, stated that SB 335 is a law strengthening Montana's underground excavation one call notification state law. There is a law providing for notification for contractors and others in the existence of underground facilities such as power lines, gas lines, communication lines, and water lines. However, the law does not provide for that information to be centrally available to all who might excavate. Most utilities in the state participate in a one call system in which they are notified in the upcoming excavation near their lines. The utility then marks their line locations prior to excavation by the contractor allowing the work to proceed with safety and no damage to the lines. Not all utilities participate in the service with the contractor and the public having a major risk that someone may not have marked the line. At the very least, tearing up a utility line could cost both the utility and the contractor money, disrupt service and delay the project. At the extreme end, striking a power line or a gas line could kill or severely injure a worker and others. The cost of participating in the one call system is paid for by the participating utility. This is a safety issue for all of Montana.

Proponents' Testimony:

Ken Dunham, representing the Montana contractor's association, stated that this is a proposal to strengthen and clarify the current law. The current law presently provides that information on underground utilities be filed with the local clerk and recorder's office. The clerk and recorders do not know really know what to do with that information, and it gets buried somewhere.

Bud Crier, with the underground utility location center, stated that when a contractor or an excavator calls the underground utility location center within three to six minutes after that contractor or excavator starts his call this request goes out to all utilities involved.

Bob Warner, gas engineer for Montana power company, stated that the third party damage is the leading cause of gas leaks. This law has been very effective in other states.

Dan Walker, representing US west communications, stated that

they support the bill as a utility and they support the bill as a contractor. This system would be most useful for them and will protect their facilities and services.

Gene Philips, appearing on behalf of pacific power and light and northwestern telephone, stated that neither of these companies appears on the Montana present list of subscribers. The purpose of his testimony is to urge the committee to amend this legislation to provide for the situation that currently exists in the Flathead. The Flathead has a different system called U DIG. The phone number is listed in the telephone directory, and a contractor or excavator can call in and get all of the information with respect to the people with the facilities will be notified so they know what construction in that area. He proposed to amend page 4 on line 10. Strike that language and insert "or in the service area".

Tom Barnard, chief engineer with Montana department of highways, stated that the department agrees with the purpose of this bill both in a construction and a maintenance standpoint. As written this bill would place an undo hardship on the department as well as the utility company. The department feels to have to call in just to do routine ditch maintenance would be an undo burden. There would be dozens of calls just in a week's time as this bill is written. He submitted his amendment to Bart Campbell to put into proper form.

Henry Lohr, representing the Montana state volunteer fire fighter association, stated that they are in support of this bill.

Opponents' Testimony:

None

Questions From Committee Members:

Senator Thayer asked if the proponents all agree on the proposed amendments.

Senator Noble stated that they have talked with all the people involved and the amendments seem to be satisfactory to all involved.

Senator Williams asked if Bud Crier has ever thought of sending the contractors a fax of all the pipes located in the area.

Bud Crier replied that drawings are not always accurate and they do not want to take any chances with inaccuracies.

Senator Kennedy asked if there was an advertising or promotional type segment of this that lets people know who to contact to use this system.

Bud Crier replied that they have different utilities that belong to fliers and mailings, they advertise through the paper. The energy council advertises with an eight hundred number.

Senator Gage asked about section two where it reads "information to be sought before excavation" is there a penalty for a person that does not comply with this.

Ken Dunham stated that some states do have a penalty. They

are proposing to put this bill in and hopefully get everyone to do that without a penalty.

Closing by Sponsor:

Senator Noble closed by saying that this is a safety issue. There is voluntary notification now with the clerk and recorder's office. Everybody involved agrees with the amendments.

EXECUTIVE ACTION ON SENATE BILL 335

Motion:

Senator Thayer moved do pass the proposed amendments for SB 335.

Senator Thayer moved to do pass SB 335 as amended.

Discussion:

Senator Williams commented that he thinks this is a good bill.

Senator Gage commented that on page four of the bill sub three starting on line seven, a person having the right to bury underground facilities, which he assumes would cover the co-ops if they should be a member. If they don't have any underground facilities but they have the right to bury the facilities to. Are we mandating here that they have to become a member.

Bart Campbell replied that the language they see is right, but as heard in the testimony you only get a charge to you if someone is going to dig where you have one of your utilities. You might have to be a member, but it won't cost you anything.

Senator Gage asked what would happen to the folks if they don't belong to this, and then we say they should and something happens when they bury equipment.

Bud Crier stated that they have not been able to get out and talk to everybody, it was a voluntary service. Co-op was not a high priority at that time.

Amendments, Discussion, and Votes:

The amendments to SB 335 passed unanimously.

Recommendation and Vote:

SB 335 do passed unanimously as amended.

EXECUTIVE ACTION ON SENATE BILL 223

Motion:

Senator Thayer moved to reconsider the tabling on SB 223.

Discussion:

Senator Thayer commented that by voting against the tabling motion it would look like he was supporting the bill. He does not support the bill.

Amendments, Discussion, and Votes:

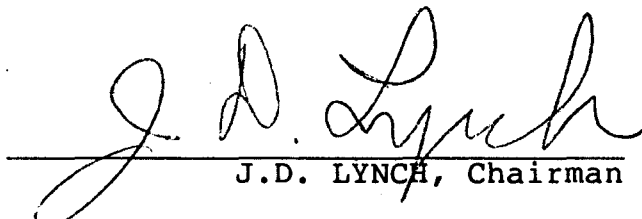
None

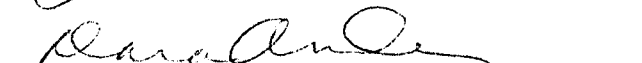
Recommendation and Vote:

The motion to reconsider tabling SB 223 failed 7 to 2 votes.

ADJOURNMENT

Adjournment At: 11:35 a.m.


J.D. LYNCH, Chairman


DARA ANDERSON, Secretary

JDL/dia

2/18/91

BUSINESS & INDUSTRY

VISITORS' REGISTER

[illegible]

(Please leave prepared statement with Secretary)

WITNESS STATEMENT

To be completed by a person testifying or a person who wants their testimony entered into the record.

Dated this 18th day of February, 1991.

Name: Tom Barnard

Address: Montana Dept. of Highways
Helena, Mont.

Telephone Number: 444-6206

Representing whom?

Dept. of Highways

Appearing on which proposal?

SB 335

Do you: Support? _____ Amend? ~~_____~~ Oppose? _____

Comments:

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PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

ROLL CALL

Business & Industry COMMITTEE

DATE 2/18/91

LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
Senator Bruski	X		
Senator Franklin	X		
Senator Gage	X		
Senator Hager	X		
Senator Noble	X		
Senator Thayer	X		
Senator Williams	X		
Senator Kennedy	X		
Senator Lynch	X		

Each day attach to minutes.

A STATEMENT BY

SENATOR BOB WILLIAMS (S.D. 15)

IN SUPPORT OF S.B. 324

BEFORE THE SENATE BUSINESS & INDUSTRY COMMITTEE

FEBRUARY 18, 1991

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, FOR THE RECORD, MY NAME IS BOB WILLIAMS (S.D. 15). I APPEAR BEFORE YOU THIS MORNING TO SUPPORT SB 324, A BILL TO PROHIBIT CAR RENTAL COMPANIES FROM SELLING COLLISION DAMAGE WAIVER POLICIES ON PASSENGER CARS RENTED FOR 30 DAYS OR LESS.

THIS IS A CONSUMER BILL. IT WAS DRAFTED BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS. I UNDERSTAND THAT OUR STATE INSURANCE COMMISSIONER'S STAFF WILL BE HERE TO ANSWER QUESTIONS THAT THE COMMITTEE MAY HAVE ABOUT THE BILL.

IF YOU HAVE EVER RENTED A CAR, YOU NO DOUBT HAVE BEEN CONFUSED ABOUT WHETHER YOU SHOULD BUY ADDITIONAL INSURANCE COVERAGE FROM THE CAR RENTAL AGENCY. THIS WEEKEND I PICKED UP SAMPLE RENTAL AGREEMENTS FROM TWO RENTAL AGENCIES, COPIES OF WHICH I AM DISTRIBUTING TO THE COMMITTEE. I DEFY YOU TO READ THESE AGREEMENTS QUICKLY AND TELL ME WHETHER ADDITIONAL COVERAGE IS NEEDED.

IF YOU CHOOSE TO BUY THE COVERAGE FROM THE RENTAL CAR COMPANY, COST WILL BE SOMEWHERE AROUND \$12 PER DAY. IF THAT CAR WERE RENTED 365 DAYS PER YEAR, AND IF THE CDW COVERAGE WERE PURCHASED BY EACH RENTER, THE ANNUAL CDW EXPENSE WOULD BE MORE THAN \$4,000 -- QUITE A SUBSTANTIAL AMOUNT! I THINK IT IS TOO MUCH.

MY BILL PROHIBITS RENTAL CAR COMPANIES FROM IMPOSING LIABILITY ON A RENTER EXCEPT IF THE RENTER INTENTIONALLY DAMAGES THE VEHICLE. THERE ARE SEVERAL OTHER SIMILAR EXCEPTIONS.

IF THIS BILL PASSES, THE PRICE OF CAR RENTALS WILL LIKELY GO DOWN FOR RENTERS WHO PREVIOUSLY BOUGHT COLLISION DAMAGE WAIVERS. SIMILARLY, FOR RENTERS WHO DIDN'T BUY CDW PROTECTION, THEIR RENTAL RATES MAY GO UP. IN ANY EVENT, THE RISK WILL BE PLACED ON THE CAR RENTAL AGENCY. THAT'S WHERE THE RISK SHOULD RESIDE. AFTER ALL, THEY ARE THE FOLKS WHO ARE IN THE BUSINESS.

THIS BILL WILL FOSTER COMPETITION AMONG THE RENTAL AGENCIES. FURTHER, IT WILL ELIMINATE CONFUSION AMONG THE FOLKS WHO RENT CARS. IN SHORT, THIS IS A GOOD CONSUMER BILL, AND I URGE YOU TO GIVE IT A "DO PASS" RECOMMENDATION.

THANK YOU.



You don't just rent a car.
You rent a company.

Rental Agreement Terms and Conditions

This agreement ("Agreement") is for the rental of the vehicle described on the front side of the first page ("Front"), including all of the vehicle's parts ("Car"). This Agreement is between the person signing it ("You") and The Hertz Corporation or the independent Hertz System, Inc., licensee identified on the Front ("Hertz"). Both parties acknowledge that this Agreement consists solely of all the terms written or printed on both this page and the Front.

1. NATURE OF THIS AGREEMENT

This Agreement is solely for the purpose of creating a bailment that allows You to use the Car as permitted by this Agreement. You acknowledge that the Car is owned by Hertz. No one other than Hertz may transfer the Car or any rights or obligations under this Agreement. Any attempted transfer or sublease of the Car by anyone other than Hertz is void. Neither You nor any Authorized Operators are agents of Hertz. No one may service or repair the Car without Hertz' prior express approval. HERTZ MAKES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR THAT THE CAR IS FIT FOR ANY PARTICULAR PURPOSE.

2. WHO MAY OPERATE THE CAR

You and the following persons, with Your permission ("Authorized Operator(s)"), may operate the Car: Your spouse, employer, employees, or fellow employees incidental to their business duties. Except to the extent necessary for valet parking or in an emergency as permitted by law, no other persons are permitted to operate the Car unless all such persons appear at the time of rental and sign an Additional Authorized Operator form. All Authorized Operators must be at least 25 years old and have a valid driver's license from a jurisdiction acceptable to Hertz. Other qualifications may be in effect at the time and place of rental.

3. YOUR RESPONSIBILITIES

ORDINARY WEAR EXCEPTED, YOU MUST RETURN THE CAR TO HERTZ IN THE SAME CONDITION IT IS IN WHEN YOU RECEIVE IT. YOU MUST RETURN THE CAR TO HERTZ BY THE DUE DATE SPECIFIED ON THE FRONT, OR SOONER IF DEMANDED BY HERTZ. IN NO EVENT MAY YOU KEEP THE CAR FOR MORE THAN THIRTY (30) DAYS, UNLESS AUTHORIZED IN WRITING BY HERTZ. IF YOU DO NOT RETURN THE CAR WHEN REQUIRED BY THIS AGREEMENT, THEN AFTER HERTZ SENDS YOU A WRITTEN DEMAND TO RETURN IT, SENT TO YOUR ADDRESS ON THE FRONT OR OTHERWISE PROVIDED TO HERTZ, HERTZ MAY AT YOUR EXPENSE, RECOVER THE CAR WHERE AND WHEN IT IS FOUND. IF THE CAR IS FOUND ILLEGALLY PARKED, APPARENTLY ABANDONED, OR IS USED OR OBTAINED AS PROHIBITED UNDER PARAGRAPH 5 OF THIS AGREEMENT, HERTZ MAY RECOVER THE CAR WITHOUT DEMAND. TO THE EXTENT PERMITTED BY LAW, YOU WAIVE ANY RIGHT TO ANY HEARING OR TO RECEIVE ANY NOTICE OR LEGAL PROCESS, AS A PRE-CONDITION FOR HERTZ RECOVERING THE CAR.

4. RESPONSIBILITY FOR LOSS OF OR DAMAGE TO THE CAR

IF THE CAR IS USED AS PERMITTED BY THE TERMS AND CONDITIONS OF THIS AGREEMENT, THE FOLLOWING APPLIES:

- YOU ARE RESPONSIBLE FOR ANY AND ALL LOSS OF OR DAMAGE TO THE CAR RESULTING FROM ANY CAUSE REGARDLESS OF FAULT OTHER THAN ACCIDENTAL FIRE OR ACTS OF NATURE (FOR EXAMPLE, COLLISION, ROLLOVER, THEFT OR VANDALISM).
- YOUR RESPONSIBILITY WILL NOT EXCEED THE FULL VALUE OF THE CAR AT THE TIME IT IS LOST OR DAMAGED, LESS ITS SALVAGE VALUE, PLUS ACTUAL TOWING, STORAGE AND IMPOUND FEES, AND A REASONABLE CHARGE FOR LOSS OF USE.
- YOU ARE NOT RESPONSIBLE FOR ANY LOSS OR DAMAGE TO THE CAR RESULTING FROM ACCIDENTAL FIRE (NOT RESULTING FROM COLLISION) OR ACTS OF NATURE.
- IF, AT THE BEGINNING OF THE RENTAL, YOU ACCEPT THE OPTIONAL LOSS DAMAGE WAIVER, WHICH IS NOT INSURANCE, HERTZ WILL NOT HOLD YOU RESPONSIBLE FOR LOSS OF OR DAMAGE TO THE CAR.

(CORPORATE)

SENATE BUSINESS & INDUSTRY



HERTZ FEATURES THE EXCITING FORD THUNDERBOLT

5. PROHIBITED USES OF THE CAR

ANY USE OF THE CAR AS PROHIBITED BELOW WILL BREACH THIS AGREEMENT, WILL VOID ANY LIMITATION OF YOUR RESPONSIBILITY UNDER PARAGRAPH 4 AND MAKE YOU FULLY RESPONSIBLE FOR HERTZ' ACTUAL AND CONSEQUENTIAL DAMAGES, COSTS AND ATTORNEY'S FEES RESULTING FROM THAT BREACH, TO THE EXTENT PERMITTED BY LAW, LDW, PAI AND PEC, LIS AND ALL LIABILITY PROTECTION WILL ALSO BE VOID.

UNDER THIS AGREEMENT YOU AND/OR ANY AUTHORIZED OPERATOR MAY NOT:

- PERMIT THE USE OF THE CAR BY ANYONE OTHER THAN AN AUTHORIZED OPERATOR;
- INTENTIONALLY DESTROY, DAMAGE, OR AID IN THE THEFT OF THE CAR;
- TAKE OR ATTEMPT TO TAKE THE CAR INTO MEXICO OR TO ANYWHERE ELSE OUTSIDE OF THE UNITED STATES OR CANADA;
- ENGAGE IN ANY WILLFUL OR WANTON MISCONDUCT, WHICH AMONG OTHER THINGS, MAY INCLUDE RECKLESS CONDUCT SUCH AS: USE WHEN OVERLOADED, TO CARRY PERSONS OR PROPERTY FOR HIRE, OFF-ROAD OR ON UNPAVED ROADS THAT ARE NOT REGULARLY MAINTAINED OR LEAVING THE CAR AND FAILING TO REMOVE THE KEYS OR CLOSE AND LOCK ALL DOORS, CLOSE ALL CAR WINDOWS AND THE TRUNK, AND THE CAR IS VANDALIZED OR STOLEN;
- USE OR PERMIT THE USE OF THE CAR BY ANYONE:
 - UNDER THE INFLUENCE OF ALCOHOL OR DRUGS;
 - FOR ANY PURPOSE THAT COULD PROPERLY BE CHARGED AS A CRIME, SUCH AS THE ILLEGAL TRANSPORTATION OF PERSONS, DRUGS OR CONTRABAND;
 - TO TOW OR PUSH ANYTHING;
 - IN A SPEED TEST OR CONTEST;
 - IN DRIVER TRAINING ACTIVITY; OR
 - IF THE CAR HAS BEEN OBTAINED FROM HERTZ BY FRAUD OR MISREPRESENTATION.

6. PAYMENT OF CHARGES

You and any person to whom, with Hertz' consent, You expressly direct the charges in any way incurred under this Agreement ("Charges") to be billed, are jointly and severally responsible for payment of all Charges. You represent that You are authorized to direct Charges to be billed to that person. Charges not paid on time, as required by this Agreement, may be subject to a late payment fee. You may also be charged a fee for any check used for payment of Charges that is returned to Hertz unpaid. Unless Hertz agrees to accept payment by use of a credit card or other device, payment for all Charges is due in cash at the completion of the rental. Charges not known to Hertz at that time are payable by You, or the person to whom such Charges are to be billed, immediately upon receipt of any invoice therefor. The payment of Charges by use of a credit card, is governed by the terms of Your agreement with the card issuer. IF YOU USE A CREDIT CARD TO PAY FOR CHARGES, YOU AUTHORIZE HERTZ TO RESERVE CREDIT WITH THE CARD ISSUER AT THE TIME OF RENTAL IN A REASONABLE AMOUNT THAT IS AT LEAST EQUAL TO ALL ESTIMATED CHARGES AND TO PROCESS AN APPROPRIATE VOUCHER FOR ALL CHARGES AT THE COMPLETION OF THE RENTAL. Hertz may audit all Charges. If any errors are found, You will pay the corrected Charges. If payment was by credit card, You authorize Hertz to correct the Charges with the card issuer. Hertz will notify You of any correction.

7. COMPUTATION OF CHARGES

- TIME CHARGES are computed at the rates specified on the Front. THE MINIMUM RENTAL CHARGE IS FOR ONE RENTAL DAY. RENTAL DAYS CONSIST OF CONSECUTIVE 24-HOUR PERIODS STARTING AT



THIS IS A SUMMARY ONLY AND IS SUBJECT TO ALL PROVISIONS, LIMITATIONS AND EXCLUSIONS OF THE LIABILITY INSURANCE SUPPLEMENT, PERSONAL ACCIDENT, PERSONAL EFFECTS POLICIES WHICH ARE AVAILABLE FOR INSPECTION AND THE AGREEMENT.

Liability Insurance Supplement (LIS) Summary of Coverage

COVERAGE

Coverage is provided to You and any Authorized Operators under an excess automobile liability insurance policy issued to The Hertz Corporation, if You accept LIS at the commencement of the rental.

LIMITS

LIS provides protection from third party automobile liability claims for the difference between the liability protection limits provided under Paragraph 10 of the Agreement and a maximum combined single limit of One Million (\$1,000,000) Dollars for bodily injury, including death and property damage. LIS also provides uninsured and underinsured motorists coverage for bodily injury and property damage, if applicable, for the difference between the statutory minimum underlying limits and \$100,000 limit of insurance for each accident.

EXCLUSIONS

All exclusions, including claims arising from use of the Car as prohibited by the agreement, are set forth in the policy, a copy of which is available upon request.

HOW TO OBTAIN COVERAGE

If You initial the LIS "ACCEPT" box when completing the Agreement, coverage will be provided during the rental period. Check with Hertz for the daily charge for this optional coverage. Such daily charge is due for each full or partial rental day.

Personal Accident Insurance (PAI) Summary of Coverage

Coverage is provided under a policy issued to The Hertz Corporation.

COVERAGE

This policy provides coverage for death directly caused by an accident independent of all other causes.

If You elect to be covered under the policy You are covered for any such accident during the rental period, at the benefit levels shown below.

Your passengers are also covered but only for accidents occurring while in, entering or exiting the Car, at the benefit levels shown below:

BENEFITS

	You	Each Passenger
Each Passenger		
Loss of Life	\$175,000	\$17,500
Medical Expenses up to	2,500	2,500
Ambulance Expenses Up to	250	250

Total benefits for any one accident are limited to \$225,000. These benefits are payable without regard to any other benefits which may be due under any other insurance policy.

HOW TO OBTAIN COVERAGE

If You initial the PAI & PEC "ACCEPT" box when completing the Agreement, coverage will be provided during the rental period. Check with Hertz for the details on the daily charge for these optional coverages. Such daily charge is due in full for each full or partial rental day.

EXCLUSIONS

This policy excludes coverage for injury or death resulting from use of the Car in violation of the Agreement and also for injury or death which: (a) is intentionally self-inflicted; (b) results from aircraft travel; (c) from committing or attempting to commit an assault or felony; (d) intoxicants or narcotics unless administered on the advice of a physician or (e) suicide or attempted suicide while sane or insane.

HOW TO FILE A CLAIM

In the event of any occurrence likely to result in a claim, immediate written notice should be given to Hertz. Obtain a PAI claim form from Hertz and submit with the Rental Agreement to:

Insurance Services

St. Louis Division

P.O. Box 2498

Jacksonville, Fla. 32203

Personal Effects Coverage (PEC) Summary of Coverage

COVERAGE

Coverage is provided for loss of or damage to covered personal effects of any covered persons while such personal effects are in transit or in any hotel or other building in route during a trip using the Car.

COVERED PERSONS

You and members of Your immediate family traveling with You during a trip using the Car, who permanently reside in the same household with You are covered, if You accept PEC.

LIMITS OF LIABILITY

Maximum coverage during the rental period is \$500 for each covered person per occurrence. Total benefits in the rental period are limited to \$1,500.

EXCLUSIONS

The following personal effects are not covered: animals, automobiles, automobile equipment, motorcycles, boats, motors, or other conveyances, household furniture, contact lenses, artificial teeth and limbs, currency, coins, beads, bullion, stamps, securities, tickets, documents and perishables. Any loss of or damage to personal effects caused by mysterious disappearance is not covered. Benefits are not payable for delay, loss of market, indirect or consequential losses or damages of any kind.

HOW TO OBTAIN COVERAGE

If You initial the PAI & PEC "ACCEPT" box when completing the Agreement, coverage will be provided during the rental period. Check with Hertz for the details on the daily charge for these optional coverages. Such charge is due in full for each full or partial rental day.

HOW TO FILE A CLAIM

To file a claim, obtain a copy of the Personal Effects Claim Form from Hertz and submit to:

HCM Claim Management Corp.

P.O. Box 716

Park Ridge, New Jersey 07656

WARNING: REMOVE KEYS, LOCK ALL DOORS, CLOSE ALL CAR WINDOWS AND THE TRUNK WHEN LEAVING THE CAR OR YOU WILL BE RESPONSIBLE FOR ANY LOSS.

THE TIME THE RENTAL BEGINS. The extra hours rate shown on the Front is charged for each full or partial hour in excess of a rental day until such extra hours charges equal the daily rate specified on the Front. Extra hours are only charged if the Car is returned one hour or more beyond the start of a new rental day. IF YOU FAIL TO COMPLY WITH ANY CONDITIONS SPECIFIED ON THE FRONT APPLICABLE TO SPECIAL RATES, HERTZ OTHERWISE APPLICABLE RENTAL RATES WILL BE CHARGED.

(b) MILEAGE CHARGES, including those for extra miles, if any, are based on the per mile rate specified on the Front. The number of miles driven is determined by subtracting the Car's odometer reading at the beginning of the rental from the reading when the Car is returned, excluding tenths of miles. The per mile rate is then multiplied by the number of miles driven or in the case of extra miles, by the number of miles in excess of the number of miles allowed, as specified on the Front. The result is the mileage charge.

(c) SERVICE CHARGES may be applied if You return the Car to any location other than the location from which it is rented. Additional charges may be applied for other supplementary services You request.

(d) LOSS DAMAGE WAIVER (LDW), PERSONAL ACCIDENT INSURANCE AND PERSONAL EFFECTS COVERAGE (PAI & PEC) AND LIABILITY INSURANCE SUPPLEMENT (LIS) CHARGES, if applicable, are due and payable in full for each full or partial rental day, at the rate specified on the Front.

(e) SALES/USE/EXCISE TAXES AND TAX REIMBURSEMENT are charged according to applicable laws.

(f) RECOVERY EXPENSE consists of all costs of any kind incurred by Hertz in recovering the Car either under this Agreement, or if it is seized by governmental authorities as a result of its use by You or with Your permission.

(g) COLLECTION EXPENSE consists of all costs of any kind incurred by Hertz in collecting Charges from You or the person to whom they are to be billed including, but not limited to, all attorney's fees and court costs.

(h) LATE PAYMENT FEES may be applied to any balance due for Charges that are not paid within 30 days of Hertz mailing an invoice for such Charges to You or the person to whom they are to be billed. Such invoice may be mailed either to Your or their address specified at time of rental, or Your or their billing addresses on file with Hertz.

(i) FINES AND OTHER EXPENSES include, but are not limited to, fines, penalties, attorney's fees and court costs assessed against or paid by Hertz resulting from the use of the Car by You or with Your permission.

8. FUEL AND SERVICE CHARGE.

You are required to return the Car with at least the same amount of fuel as when You receive it. If You choose not to refuel the Car, Hertz will provide the service of refueling it. Hertz will charge You for this service at the applicable rate specified on the Front. This will be determined as follows:

(a) If You do not buy fuel during the rental, this charge will be the number of miles driven, as shown on the Car's odometer, multiplied by the per mile rate specified on the Front.

(b) If You buy fuel during the rental, this charge will be the per gallon rate specified on the Front multiplied by Hertz' estimate of the number of gallons required to refill the Car's fuel tank. This estimate is made by using the manufacturer's specified tank capacity for the Car and then determining the capacity of the portion of the tank that is empty, as indicated by the Car's fuel gauge.

9. RESPONSIBILITY FOR PROPERTY.

Hertz is not responsible for any damage to or loss of Yours or anyone else's property, regardless of cause, except if it results solely from the negligence or intentional wrongful acts or omissions of Hertz. This includes, but is not limited to, property left in the Car, or in any other vehicle, or on Hertz premises. You and any Authorized Operators release Hertz, its agents and

employees from any claim for loss of or damage to Yours or anyone else's property. If anyone makes a claim against Hertz for any such loss that is claimed to be in any way connected with this rental, You and any Authorized Operators agree to hold Hertz harmless from such claim.

10. LIABILITY PROTECTION.

(a) Hertz will indemnify, hold harmless, and defend You and any Authorized Operators FROM AND AGAINST LIABILITY TO THIRD PARTIES, EXCLUDING ANY OF YOUR OR ANY AUTHORIZED OPERATOR'S FAMILY MEMBERS RELATED BY BLOOD, MARRIAGE OR ADOPTION RESIDING WITH YOU OR THEM. For bodily injury and property damage the limits of this protection, including owner's liability, are the same as the minimum limits required by the automobile financial responsibility law of the jurisdiction in which the accident occurred, unless higher limits apply for the CDP4D number/Rate Plan shown on the Front, which accident results from the use of the Car as permitted by this Agreement. This will conform to the basic requirements of any applicable "No Fault" law BUT DOES NOT INCLUDE "UNINSURED MOTORIST", "UNDERINSURED MOTORIST", "SUPPLEMENTARY NO FAULT" OR ANY OTHER OPTIONAL COVERAGE. TO THE EXTENT PERMITTED BY LAW, HERTZ AND YOU HEREBY REJECT THE INCLUSION OF ANY SUCH COVERAGE. In the event that any such coverage is imposed by operation of law, then the limits of such coverage will be the minimum required by the law of the jurisdiction in which the accident occurred. Hertz warrants that the protection described in this paragraph is primary with respect to any insurance coverage You or an Authorized Operator may have. THIS PROTECTION IS VOID IN MEXICO.

(b) You and all Authorized Operators will indemnify and hold Hertz, its agents and employees harmless from and against any loss, liability and expense in excess of the limits or beyond the scope of the protection provided for above, arising from the use or possession of the Car by You or any Authorized Operators or with Your, his or her permission.

11. ACCIDENTS, THEFT AND VANDALISM.

You must promptly and properly report any accident, theft or vandalism involving the Car to Hertz and to the police. If You or any Authorized Operators receive any papers relating to such an incident, those papers must be promptly given to Hertz. You and any Authorized Operators must cooperate fully with Hertz' investigation of such incident and defense of any resulting claim. FAILURE TO COOPERATE FULLY MAY VOID ALL LIABILITY PROTECTION, LIS AND LDW. You and any Authorized Operators authorize Hertz to obtain any records or information relating to any incident, consent to the jurisdiction of the courts of the jurisdiction in which the incident occurred and waive any right to object to such jurisdiction.

12. NON-LIABILITY TO YOU.

Hertz will not be liable to You or any Authorized Operators for any indirect, special or consequential damages arising in any way out of any matter covered by this Agreement.

13. PARKING AND TRAFFIC VIOLATIONS.

(a) You will be responsible for and pay all parking and traffic violation fines and penalties arising out of the use, possession or operation of the Car by You or with Your permission. You agree to pay same and indemnify and hold Hertz harmless if Hertz pays or is required to pay same. You also agree to reimburse Hertz for all its related collection and other expenses, including an administrative fee.

(b) You and any Authorized Operators authorize Hertz to release to any court or government agency any information relating to any person who uses the Car during the rental.

14. WAIVER OR CHANGE OF TERMS.

No term of this Agreement may be waived or changed, except by a writing signed by an expressly authorized representative of Hertz. Rental representatives are not authorized to waive or change any term of this Agreement.

STATEMENT OF
AMERICAN INSURANCE ASSOCIATION
BY
JACQUELINE N. TERRELL
RE: SB 324

Mr. Chairman and members of the committee:

My name is Jacqueline N. Terrell. I am a lawyer from Helena and a lobbyist for the American Insurance Association. The American Insurance Association is a national trade association that promotes the economic, legislative, and public standing of its some 180-member property-casualty insurance companies. The Association represents its participating companies before federal and state legislatures on matters of industry concern.

The American Insurance Association strongly supports this straight forward and effective NAIC model law to deal with consumer complaints and confusion over rental car insurance.

The model law would shift financial responsibility for damaged rental cars from insurance consumers to the rental car industry.

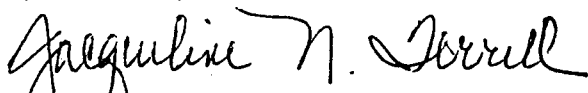
Currently, consumers may be held responsible for damage to rented cars unless they buy "collision damage waivers" from car rental companies or unless their own auto insurance covers the loss. Confusion and complaints have arisen because the waivers, which often cost about \$10 per day, are becoming increasingly expensive, contain a number of loopholes, and often unnecessarily duplicate protection provided by consumers' auto insurance policies.

Under the NAIC proposal, all the costs of renting a car would be paid for when you rent the car, rather than paid, in part, by auto insurance and unfairly subsidized by people who may never rent cars through increased auto insurance premiums.

The NAIC law will help hold down the cost of auto insurance, which is being used more and more to cover damage claims to rental cars. Instead of having someone's family auto insurance subsidize the car rental industry through auto insurance rates, this proposal puts the costs of rented car losses where they belong -- with the car rental companies.

Submitted to Senate Judiciary Committee for hearing on Senate Bill 324, February 13, 1991, 10 a.m.

Respectfully submitted,


Jacqueline N. Terrell

TESTIMONY OPPOSING SENATE BILL 324
STEVE TURKIEWICZ
MONTANA AUTOMOBILE DEALERS ASSOCIATION
FEBRUARY 18, 1991

Mr. Chairman and members of the Committee, the Montana Automobile Dealers Association opposes Senate Bill 324.

Several of our members provide rental cars; they may be an independent or a franchisee of one of the major companies. However, they are in all cases, Montana mainstreet businesses providing a service for the tourist and business traveler alike.

We are very concerned by the provisions of Senate Bill 324 and the effects of the provisions will have on the ability of our local Montana auto dealers to continue to operate their rental business and the costs of renting a car for the consumer.

It appears the Senate bill 324 places the entire burden for collision damage to a rental vehicle on the rental company except in certain unclear circumstances. In the event one of the prescribed conditions for the renters liability is present, it appears litigation will be the only course to determine if the renter is responsible for damage resulting from, "willful and wanton misconduct, driving in a speed contest; driving while under the influence of drugs or alcohol; fraud; or use of the vehicle while committing or otherwise engaged in the commission of a crime in which the vehicle is a means of operative tool of the crime", whatever that means?

While the car is wrecked and the determination of responsibility is being made, the rental company has a revenue producing car off the streets and must shoulder the repair costs.

This bill unfairly places the burden of the costs of collision damage for the rental cars squarely on the shoulders of the rental car company. But, most rental car companies don't have a safe full of money to cover these unnecessary costs. The additional costs will be borne by all renters of rental cars through higher costs. In an attempt to help the consumer, this bill may ultimately costs all rental car consumers through higher costs.

Finally, I'd like to share with the Committee with:

HOW TO RECOGNIZE A RENTAL CAR

- Rental cars travel faster in all gears, especially reverse.
- Rental cars accelerate at a phenomenal rate.
- They enjoy a much shorter braking distance.
- Have a much tighter turning radius.
- Can take bumps at twice the speed of private cars.
- The floor is shaped just like an ashtray.
- Can be driven up to 100 miles with the oil warning light flashing
- The tires are designed to permit bumping into and over curbstones.
- They are adapted to allow reverse to be engaged while the car is still moving forward.

We respectfully request this Committee recommend Senate Bill 324 "Do Not Pass".

ROLL CALL VOTE

SENATE COMMITTEE Business and Industry

Date 2/18/91 Bill No. SB335 Time 10:00

NAME	YES	NO
Senator Bruski	X	
Senator Franklin	X	
Senator Gage	X	
Senator Hager	X	
Senator Noble	X	
Senator Thayer	X	
Senator Williams	X	
Senator Kennedy	X	
Senator Lynch	X	

Dara Anderson

Secretary

JD Lynch

Chairman

Thayer
Motion: TO AMEND

ROLL CALL VOTE

SENATE COMMITTEE Business and Industry

Date 2/18/91 Bill No. SB 33 Time 10:00

NAME	YES	NO
Senator Bruski	Y	
Senator Franklin	X	
Senator Gage	Y	
Senator Hager	X	
Senator Noble	Y	
Senator Thayer	X	
Senator Williams	X	
Senator Kennedy	X	
Senator Lynch	X	

Dara Anderson

Secretary

JD Lynch

Chairman

Thayer
Motion:

DO PASS AS AMENDED

ROLL CALL VOTE

SENATE COMMITTEE Business and Industry

Date 2/18/51 Bill No. SB223 Time 10:00

NAME	YES	NO
Senator Bruski		X
Senator Franklin		X
Senator Gage		X
Senator Hager		X
Senator Noble	X	
Senator Thayer	X	
Senator Williams		X
Senator Kennedy		X
Senator Lynch		X

Dara Anderson
Secretary

JD Lynch
Chairman

Motion: MOTION TO RECONSIDER TABLING

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
February 18, 1991

MR. PRESIDENT:

We, your committee on Business and Industry having had under consideration Senate Bill No. 335 (first reading copy -- white), respectfully report that Senate Bill No. 335 be amended and as so amended do pass:

1. Page 2, line 5.

Following: "maintenance"

Insert: "or road or ditch maintenance that does not change the
original road or ditch grade or flow line"

2. Page 4, line 10.

Strike: ", either statewide or serving each county"

Insert: "covering the service area"

Signed: _____

John "J.D." Lynch, Chairman

1/1 2-18-91
Asst. Coord.

SB 2-18-91 2:30
Sec. of Senate

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