

50-657. Rental agreement; collision damage waiver; requirements. No lessor shall deliver or issue for delivery in this state a rental agreement containing a collision damage waiver unless:

- (a) It is written in simple and readable words with common meanings and is understandable;
- (b) the terms of the collision damage waiver are prominently displayed including, but not limited to, any conditions and exclusions applicable to the collision damage waiver. The collision damage waiver may exclude the following:
 - (1) Damages caused intentionally by an authorized driver or as a result of an authorized driver's willful or wanton misconduct;
 - (2) damages caused by an authorized driver of the rental motor vehicle driving while intoxicated or under the influence of any illegal or unauthorized drug, or the combined influence of alcohol and any illegal or unauthorized drug;
 - (3) damages caused while engaging in any speed contest;
 - (4) the rental transaction is based on fraudulent information supplied by the renter;
 - (5) the damage arises out of the use of the vehicle while committing or otherwise engaged in a criminal act which would be a felony in which the automobile usage is substantially related to the nature of the criminal activity;
 - (6) the damage arises out of the use of the vehicle to carry persons or property for hire;
 - (7) the damage occurs while the vehicle is operated by a person other than an authorized driver;
 - (8) the damage arises out of the use of the vehicle outside of the United States unless such use is specifically authorized by the rental agreement;
 - (9) towing or pushing anything or if operation of the vehicle is off road; and
 - (10) loss due to the theft of the rental vehicle. However, the lessee shall be presumed to have no liability for any loss due to theft if:
 - (A) An authorized driver has possession of the ignition key furnished by the lessor, proof that the keys to the rental motor vehicle were taken by duress or an authorized driver establishes that the ignition key furnished by the lessor was not in the vehicle at the time of the theft; and
 - (B) an authorized driver files an official report of the theft with the police or other law enforcement agency within 24 hours of learning of the theft and reasonably cooperates with the lessor and the police or other law enforcement agency in providing information concerning the theft.

The presumption set forth in this paragraph is a presumption affecting the burden of proof which the lessor may rebut by establishing that an authorized driver committed, or aided and abetted the commission of, the theft.

(c) All restrictions, conditions or provisions in or endorsed on a collision damage waiver shall be printed in type as large as ten point type, or be written in pen and ink or typewritten in or on such agreement; but nothing contained in this section shall relate or apply to photographic copies of applications or parts thereof, attached to or made part of such agreement;

(d) the collision damage waiver includes a statement of the total charge for the waiver period; and

(e) the agreement containing the collision damage waiver displays the following notice on the face of the agreement, set apart and in boldface type and in no smaller print than 10 point type: NOTICE: THIS CONTRACT OFFERS, FOR AN ADDITIONAL CHARGE, A COLLISION DAMAGE WAIVER TO COVER YOUR RESPONSIBILITY FOR DAMAGE TO THE VEHICLE. BEFORE DECIDING WHETHER TO PURCHASE THE COLLISION DAMAGE WAIVER, YOU MAY WISH TO DETERMINE WHETHER YOUR OWN AUTOMOBILE INSURANCE AFFORDS YOU COVERAGE FOR DAMAGE TO THE RENTAL VEHICLE AND THE AMOUNT OF THE DEDUCTIBLE UNDER YOUR OWN INSURANCE COVERAGE. THE PURCHASE OF THIS COLLISION DAMAGE WAIVER IS NOT MANDATORY AND MAY BE WAIVED.

History: L. 1988, ch. 193, § 6; L. 2006, ch. 82, § 2; July 1.