

1999 SENATE TRANSPORTATION

SB 2407

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SBA 2407

Senate Transportation Committee

Conference Committee

Hearing Date February 4, 1999

Tape Number	Side A	Side B	Meter #
1	x		752-3820
February 11, 1999-Tape 2	x		3,175-4586
February 12, 1999- Tape 1		x	3,429-4910
Committee Clerk Signature <i>Devi B. Schaeffer</i>			

Minutes:

SENATOR B. STENEHJEM called the hearing to order on SB 2407. Committee members present included: Sens. Bob Stenehjem, R. Schobinger, D. Mutch, D. Cook, D. O'Connell, V. Thompson, and D. Bercier.

SENATOR DEB MATHERN, DISTRICT #45 testified in support of SB 2407. This bill lead to some discussion about the proper way to regulate the sale of insurance at rental agencies. I think this is a good bill and I urge your consideration.

JACK MCDONALD, ENTERPRISE RENT-A-CAR OF DAKOTAS AND NEBRASKA testified in support of SB 2407 (see testimony and proposed amendments).

SENATOR COOK Can you tell me what the problem is?

JACK MCDONALD The current situation requires no licensing or regulation. The rental car agencies brought this up with the insurance commissioner.

SENATOR B. STENEHJEM Who would set up minimum coverage policies?

JACK MCDONALD It would be set up by the insurance master policy.

SENATOR B. STENEHJEM If I were to rent a car am I required to have an insurance policy?

JACK MCDONALD No, you're not required to take the insurance from the car rental agency but you are required to show proof that you are insured.

SENATOR B. STENEHJEM My car insurance covers this situation?

JACK MCDONALD Yes, when I rented a car a phone call verified I had insurance.

SENATOR BERCIER Is there a problem with car renters providing insurance without the knowledge of the renter?

JACK MCDONALD I don't believe there is a problem right now. The clause is supposed to make sure there is no commission type sales.

SENATOR BERCIER Performance compensation incentive program infers the same thing.

JACK MCDONALD The amendment says it can be considered as an overall employee package. The insurance sales are not the sole incentive for their good rating or salary.

SCOTT BOTHFOLD, ENTERPRISE RENT-A-CAR testified in support of SB 2407 (see testimony).

SENATOR COOK Have you rented a car that was in an accident only to find the driver has no insurance?

SCOTT BOTHFOLD Yes.

SENATOR COOK What type of proof do you ask for?

SCOTT BOTHFOLD We may ask but may still rent if they don't have any coverage.

We are taking a risk if they have an accident. They are going to come back to us the rental company for state limitations.

SENATOR B. STENEHJEM Explain a circumstance when you would rent a car to someone who would not have insurance.

SCOTT BOTHFOLD Someone may not have a car or a vehicle may be insured but not the driver. We have to access our risk on the state limitations.

SENATOR B. STENEHJEM Where are your vehicles licensed?

SCOTT BOTHFOLD We run 55% of the total cars in North Dakota, 50% are plated here. If Rapid City needs cars and we're not busy we may ship them down there.

SENATOR BERCIER Are there two different policies for age differences?

SCOTT BOTHFELD We don't rent to folks under 21 years old. There are no insurance coverage differences depending on ages.

SENATOR BERCIER Is it possible for an individual to be underinsured?

SCOTT BOTHFELD Not that I'm aware of.

SENATOR B. STENEHJEM Who sets up those proportions for you?

SCOTT BOTHFELD I don't have names but I do know it is a federal law.

SENATOR MUTCH Page 2, line 20- it says you must state that the purpose of insurance is not required to rent a vehicle, does that not take away your ability to decide whether you want to rent a vehicle?

SCOTT BOTHFOLD If they have a license and a credit card, they can rent but it still leaves us to other options.

SENATOR MUTCH If you are out of state and renting a car you should have insurance.

SCOTT BOTHFOLD Many times the customer drives out without fully knowing their responsibility.

CHRIS EDISON, GENERAL COUNSEL FOR ND INSURANCE DEPARTMENT testified on SB 2407. We are in favor of the bill as a minimum as what would be acceptable to us but we are in opposition to the amendments. We think there is regulation of counter personnel individuals who are selling insurance right now. If they are going to be receiving compensation as a result of selling insurance then they would need a license to do that. Several months ago, a number of rent-a-car companies approached us because of what was going on in other states they wanted to explore a possibility of getting an exemption from some of those requirements. The bill as presented is a result of some of those discussions; this is what we originally were against because this is a business transaction and these people should be licensed as such. The companies felt there were problems being able to sell this insurance due to high turnover rate and, as a result, a valuable marketplace of insurance may dry up due to this turnover rate.

This bill allows us to still properly regulate in the area while allowing the rental companies to deal with the turnover rate off counter personnel. Assuming this bill doesn't pass, we will have those counter personnel licensed to sell insurance. The first amendment would make underinsured and uninsured motorist coverage an optional coverage which could be offered by the rental company. That is required coverage in ND, I don't think it should be optional here. The other amendment we have a problem with is on page 2, after line 26 there is a provision added which would eliminate any fiduciary obligation between the company and the car rental agency. I'm not sure of the purpose of that amendment is. The problem is there is a current

regulation that the department has that would allow us if we became aware of a counter personnel person who was confiscating premium funds received at the counter we could revoke the license of the agency which the rental cars would still have to get. This is a way to try to avoid that implication. We think it would be appropriate if that action was going on to revoke the license they would be required to get. We are minimally satisfied with the bill itself but in opposition to the amendments.

GARY THUNE, AMERICAN INSURANCE ASSOCIATION testified in support of SB 2407 as initially drafted. We take no position on the amendments at this point. We urge a Do Pass on SB 2407.

KENT OLSON, PROFESSIONAL INSURANCE AGENTS testified in a neutral position. We have a couple of questions on this bill. This adds several exceptions to licensing. The definitions are quite broad in what insurance is. The agency must provide basic training but it does not address the hours one needs to have in order to keep their license current. Also, it seems somewhat contradictory when it states the insurance personnel are not directly paid by the insurance company a commission or other compensation. Nothing in this section prevents the auto renting company from providing basic sale incentives to the counter personnel. Could there be an incentive for the personnel to get a free ski trip or other perks if they sell a certain amount of insurance policies?

SENATOR MUTCH How do they handle this in other states?

KENT OLSON In other states, a consumer has no idea who is adequately licensed. We have to get the continuing insurance license requirements and we would like to be treated equally.

JACK MCDONALD We would be willing to work with the insurance commissioner's office to work out a proposal for a joint product.

SENATOR B. STENEHJEM closed the hearing on SB 2407.

February 11, 1999-Tape 2-Committee Discussion

TOM SMITH Now in ND when you issue a liability insurance policy for vehicles, you have a liability no fault and an underinsured and uninsured that has to be on every policy and every policy issued in North Dakota. The amendment is changing that to say "at the exclusive option of the rental company may include uninsured or underinsured motorist coverage either offered separately or in combination." Someone coming into the state who rents the car and buys the liability coverage, they wouldn't have to offer the uninsured and underinsured motorist coverage. That's the decision you will have to make.

The other provision they have is on line 17 they're deleting vehicles and putting in authorized drivers. If you sign up as a renter then any others who will be driving that vehicle must sign up too. There is an omnibus coverage in ND. Insurance companies can't restrict it; someone borrows your vehicle they are a covered person. This could be construed that a person borrowing the rental vehicle may not be covered under that policy because they are not authorized drivers.

SENATOR MUTCH On line 6, the licensed insurance agent is not required for the counter sales personnel of an automobile rental agency. Does the personnel at the counter have to be licensed?

TOM SMITH There are four categories of agents in North Dakota. The agent, the broker, a limited insurance representative-they are order takers. The representative does not have to do all the extensive testing or be licensed (he gave an example). All of us in ND when we go and rent a

car out of state your own insurance policy provides collision damage for that rental vehicle.

Your policy will cover any damage done to that rental vehicle and any loss of use the rental company may have up to 14 or 15 days. This bill pertains more with the licensing of people at the airports that rent the cars.

SENATOR B. STENEHJEM I understand the thing about authorized drivers. If your wife wasn't an authorized driver but drove the vehicle and had an accident, she wouldn't be covered.

SENATOR COOK In ND, I understand you have to have a vehicle to insure. You don't insure yourself as a driver with no vehicle. Last spring, I rented a car but took my own insurance out and my wife still couldn't drive the car.

TOM SMITH If she would have given her driver's license and other information she would have been an authorized driver. Anytime you drive a nonowned vehicle, there is coverage for that under the automobile insurance policy right now.

SENATOR COOK I motion for a Do Pass on SB 2407.

SENATOR O'CONNELL I second it.

SENATOR SCHOBINGER This bill deals with the person behind the counter selling the insurance and whether they need to be licensed insurance agents. This will take away the license but allows them to sell the insurance.

TOM SMITH Yes, it says the people behind the counter don't have to be licensed but someone needs to be licensed in the organization.

A roll call vote was taken on SB 2407 as a Do Pass (7 Yeas, 0 Nays and 0 Absent and Not Voting).

Senator Schobinger will carry SB 2407.



JACK MCDONALD I think there is a misunderstanding on the amendments. These are different from those I first handed out. The amendments did what you wanted them to do. The one concern you had was the uninsured and underinsured motorist coverage. We took care of that on the amendments. These are the results after I worked with the Insurance Commissioner's office.

SENATOR B. STENEHJEM The other part we had a problem with was when you removed vehicles and inserted "authorized drivers" to be insured.

JACK MCDONALD The difference is that the rental insurance is different from regular insurance because you don't own the car. The rental company owns the car and asks you to list who will be authorized drivers.

SENATOR SCHOBINGER This bill deals with someone not having a license to sell insurance. Does it currently work more like the amendments or like it is spelled out in the bill.

JACK MCDONALD This started from negotiations between the rental companies and the insurance office. The insurance office wants to be comfortable with the amount of regulation. The amendments further specify the types of insurance to be offered and to whom.

SENATOR SCHOBINGER Does it work like the bill or the amendments?

JACK MCDONALD No one is licensed right now and the Insurance Commissioner's office said they don't want that to continue. If there isn't this legislation, they will make a provision that anyone selling insurance will have to be licensed. We're trying to reach a compromise which says we will license one representative.

SENATOR SCHOBINGER Can I get just liability or uninsured and underinsured motorist coverage?

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Senate Transportation Committee

Bill/Resolution Number Sb 2407

Hearing Date February 4, 1999

JACK MCDONALD The rental car company is making that optional right now. But the

Insurance Commissioner says it's a requirement and we have to offer it.

SENATOR MUTCH It is permissible or mandatory that you offer it.

JACK MCDONALD It's mandatory to offer it but you wouldn't have to take it.

SENATOR COOK Presently, there are minimum requirements. We meet those. Is there any place in ND law that addresses renters insurance?

JACK MCDONALD Not that I'm aware of which is why the bill is before you. These amendments will make it a better bill.

SENATOR COOK I would move that we reconsider our actions on SB 2407.

SENATOR MUTCH I second that.

SENATOR COOK I move the amendments submitted by Jack McDonald on February 11, 1999.

SENATOR MUTCH I second it.

Amendments were voted on and passed by a voice vote.

SENATOR COOK I move for a Do Pass as Amended on SB 2407.

SENATOR MUTCH I second it.

A roll call vote was taken (7 Yeas, 0 Nays and 0 Absent and Not Voting).

Senator Schobinger will carry SB 2407.

*drawn up, not adopted*

PROPOSED AMENDMENTS TO SENATE BILL NO. 2407

Page 1, line 16, after "insurance" insert "which, at the exclusive option of the rental company, may include uninsured and underinsured motorist coverage, either offered separately or in combination with other liability insurance"

Page 1, line 17, remove "vehicles" and insert "authorized drivers"

Page 2, line 1, remove "policy" and insert "rental", and remove "of any insurance sold by the counter sales personnel"

Page 2, line 24, remove "providing sales incentives to" and insert "including the insurance products in an overall employee performance compensation incentive program."

Page 2, after line 26, insert: "7. Notwithstanding any provision of this section or any rule adopted by the commissioner, the automobile rental company shall not be required to treat monies collected from renters purchasing such insurance products when renting vehicles as funds received in a fiduciary capacity, provided that the charges for overall coverage shall be itemized and be ancillary to a rental transaction."

Renumber accordingly

Date: February 11, 1999  
Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SB 2407

Senate Transportation Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken No Pass

Motion Made By Sen. Cook Seconded By Sen. O'Connell

Senators	Yes	No	Senators	Yes	No
Sen. B. Stenejem-Chairman	X				
Sen. R. Schobinger-V. Chair	X				
Sen. Duane Mutch	X				
Sen. Dwight Cook	X				
Sen. David O'Connell	X				
Sen. Vern Thompson	X				
Sen. Dennis Bercier					

Total (Yes) 6 No 0

Absent 1

Floor Assignment Sen. Schobinger

If the vote is on an amendment, briefly indicate intent:

703  
2/12/99

PROPOSED AMENDMENTS TO SENATE BILL NO. 2407

Page 1, line 10, after "26.1-26-08" insert "or is affiliated with an appropriately licensed North Dakota agent"

Page 1, line 16, after "insurance" insert "that must include uninsured and underinsured motorist coverage, either offered separately or in combination with other liability insurance, and"

Page 1, line 17, replace "vehicles" with "authorized drivers"

Page 2, line 1, replace "policy" with "rental" and remove "of any insurance sold by the counter sales personnel"

Page 2, line 24, replace "providing sales incentives to" with "including the insurance products in an overall employee performance compensation incentive program."

Page 2, remove lines 25 and 26

Renumber accordingly

Date: February 12, 1999  
Roll Call Vote #: 2

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SB2407

Senate Transportation Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken No Pass as Amended

Motion Made By Sen. Cook Seconded By Sen. Mutch

Senators	Yes	No	Senators	Yes	No
Sen. B. Stenehjem-Chairman	X				
Sen. R. Schobinger-V. Chair	X				
Sen. Duane Mutch	X				
Sen. Dwight Cook	X				
Sen. David O'Connell	X				
Sen. Vern Thompson	X				
Sen. Dennis Bercier	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen. Schobinger

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**SB 2407: Transportation Committee (Sen. B. Stenehjem, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2407 was placed on the Sixth order on the calendar.

Page 1, line 10, after "26.1-26-08" insert "or is affiliated with an appropriately licensed North Dakota agent"

Page 1, line 16, after "insurance" insert "that must include uninsured and underinsured motorist coverage, either offered separately or in combination with other liability insurance, and"

Page 1, line 17, replace "vehicles" with "authorized drivers"

Page 2, line 1, replace "policy" with "rental" and remove "of any insurance sold by the counter sales personnel"

Page 2, line 24, replace "providing sales incentives to" with "including the insurance products in an overall employee performance compensation incentive program."

Page 2, remove lines 25 and 26

Renumber accordingly

1999 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2407



1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2407

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 3-1-99

Tape Number	Side A	Side B	Meter #
1		x	1166 - 2940
3	x		256 - 871
Committee Clerk Signature <i>Lisa Horner</i>			

Minutes: **SB 2407**

Sen. D. Mathern introduced SB 2407 relating to insurance sales by rental car agencies.

Scott Bothfield testified in support of SB 2407. (See written testimony)

Jack McDonald testified in support of SB 2407. (See written testimony)

Chris Edison testified in support of SB 2407. Under current law, we think that those individuals are fully regulated as an insurance agents.

Rep. Froseth: Are these car rental agents required to have a license to sell insurance too?

Chris Edison: If they're going to offer insurance product in ND, they need to be licensed.

Chairman Berg: Has there been previous problems that this legislation has come about?

Chris Edison: Not in this state yet, but we have had calls about the issue.

Jack McDonald explained the amendments.

Chairman Berg closed the hearing.

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House Industry, Business and Labor Committee

Bill/Resolution Number Sb 2407

Hearing Date 3-1-99

**Tape 3. side A. Meter No. 256**

Chairman Berg opened the discussion of SB 2407.

The amendments were explained to the committee and discussed.

Vice Chairman Kempenich made a motion to adopt the amendments.

Rep. Keiser second the motion.

The voice vote was 14 yea, 0 nay, 1 absent. The motion carried.

Rep. Severson made a motion for a Do Pass as Amended.

Rep. Froseth second the motion.

The roll call vote was 11 yea, 3 nay, 1 absent.

The motion carried.

Vice Chairman Kempenich will carry the bill.

**PROPOSED AMENDMENTS TO SENATE BILL NO. 2407**

Page 2, line 10, remove "automobile rental companies agency"

Renumber accordingly

Date: \_\_\_\_\_  
Roll Call Vote #: \_\_\_\_\_

**1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. SB 2407**

House Industry, Business and Labor Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken do pass as amended

Motion Made By Severson Seconded By Froseth

Representatives	Yes	No	Representatives	Yes	No
Chairman Berg	/		Rep. Thorpe	/	
Vice Chairman Kempenich	/				
Rep. Brekke	/				
Rep. Ekstrom	/				
Rep. Froseth	/				
Rep. Glasheim					
Rep. Johnson	/				
Rep. Keiser		/			
Rep. Klein	/				
Rep. Koppang		/			
Rep. Lemieux		/			
Rep. Martinson	/				
Rep. Severson	/				
Rep. Stefonowicz	/				

Total (Yes) 11 No 3

Absent 1

Floor Assignment Kempenich

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)  
March 2, 1999 8:08 a.m.

Module No: HR-37-3831  
Carrier: Kempenich  
Insert LC: 98341.0201 Title: .0300

**REPORT OF STANDING COMMITTEE**

**SB 2407: Industry, Business and Labor Committee (Rep. Berg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). SB 2407 was placed on the Sixth order on the calendar.

Page 2, line 10, remove "automobile rental companies agency"

Renumber accordingly

1999 TESTIMONY

SB 2407

FEBRUARY 11, 1999

*adopted amendments*

**SENATE TRANSPORTATION COMMITTEE**  
**SB 2407**

**CHAIRMAN STENEHJEM AND COMMITTEE MEMBERS:**

My name is Jack McDonald. I'm appearing today on behalf of Enterprise Rent A Car Company of the Dakotas/Nebraska. We SUPPORT **SB 2407** as amended and ask for your DO PASS.

We proposed amendments at the hearing and the ND Insurance Department agreed to most of them. We've worked with the department this past week, and they now have no objection to the following amendments.

We would appreciate your support.

PROPOSED AMENDMENTS TO SB 2407

On page 1, line 10, after "26.1-26-08" insert ", or is affiliated with an appropriately licensed North Dakota agent."

On page 1, line 16, after the word "insurance" insert "which, must include uninsured and underinsured motorist coverage, either offered separately or in combination with other liability insurance"

On page 1, line 17, delete "vehicles" and insert "authorized drivers"

On page 2, line 1, delete "policy" and insert "rental", and delete "of any insurance sold by the counter sales personnel"

On page 2, line 24, delete the remainder of the sentence after "from" and insert "including the insurance products in an overall employee performance compensation incentive program."

Renumber accordingly

FEBRUARY 4, 1999

**TRANSPORTATION COMMITTEE**

**SB ~~2047~~ 2407**

**CHAIRMAN STENEHJEM AND COMMITTEE MEMBERS:**

My name is Scott Bothfeld and I work for Enterprise Rent a Car. I am appearing on behalf of the Rental Car Industry. We SUPPORT SB ~~2047~~<sup>2407</sup>. We feel the insurance products offered to our rental customers provide short term protection which would normally be unattainable.

The sole business of our companies is the short term rental of motor vehicles to the public for a period of less than 90 days...in most instances less than a week. As part of the rental transaction, we offer options to the customer at the counter, primarily as an added service for their convenience and protection.

These options, such as Liability Coverage or Personal Accident Insurance, are appealing to those renters who a) do not own a car, therefore do not have insurance, or b) want to add additional insurance to a policy which transfers over to our vehicle. Often the renters in case "b" have only state limitations on their policies with which they are uncomfortable in an "urban" driving environment.

It is important to note that these coverages also provide protection for motorists who are the victims of accidents caused by a rental car operator.

These coverages are underwritten by authorized carriers naming the Rental Companies as policy holders. A renter is deemed an insured when s/he requests any of the products.

Written material is made readily available to assist the customer in understanding the products. The material contents are outlined in the bill.

Our overall purpose, Chairman Stenehjem and Committee members is not to enter into the business of selling long term insurance policies. Instead, we wish to continue offering a service to a handful of our customers who require short term protection.

We respectfully request that you allow this bill to proceed. If you have any questions, I'd be happy to answer them. THANK YOU FOR YOUR TIME AND CONSIDERATION.



**FEBRUARY 4, 1999**

**TRANSPORTATION COMMITTEE**

**SB ~~2047~~ 2407**

**CHAIRMAN STENEHJEM AND COMMITTEE MEMBERS:**

My name is Scott Bothfeld and I am the General Manager for Enterprise Rent a Car Company of the Dakotas/Nebraska, a subsidiary of Enterprise Rent a Car. Our territory includes North Dakota, western South Dakota, and western Nebraska.

Our "headquarters" is based here in Bismarck. In North Dakota, we currently employ 60 full and part time employees.

We focus primarily on the replacement rental market, meaning we offer reduced rates if your vehicle is for body work or service work.

Although our business is typically quite different from those companies servicing deplaning passengers, our interests in this bill are similar.

March 1, 1999

**HOUSE INDUSTRY, BUSINESS & LABOR COMMITTEE**  
**SB 2407**

**CHAIRMAN BERG AND COMMITTEE MEMBERS:**

My name is Jack McDonald. I'm appearing today on behalf of Enterprise Rent A Car Company of the Dakotas/Nebraska. We **SUPPORT SB 2407** and ask for your DO PASS.

The bill is good combination of regulation and private enterprise. It requires that the company have a representative who is a fully licensed and regulated North Dakota insurance agent. That agent will be available to the counter personnel to handle questions and concerns about the insurance.

Subsection 2 of the bill strictly limits the insurance-related activities of the rental agencies to the supplemental type of insurance issued just during the term of the car rental.

Amendments in the Senate further clarified the types of coverage being offered and that insurance sales, while not allowed to be on a commission basis, can be a part of an overall employee incentive program.

The bill has been reviewed by the North Dakota Insurance Commissioner's office and by insurance industry representatives. I don't believe they have any objections.

We respectfully request your **FAVORABLE CONSIDERATION** of the bill. If you have any questions, I'll be happy to answer them. THANK YOU FOR YOUR TIME AND CONSIDERATION.

MARCH 1, 1999

**HOUSE INDUSTRY, BUSINESS AND LABOR COMMITTEE**  
**SB ~~2047~~ 2407**

**CHAIRMAN BERG AND COMMITTEE MEMBERS:**

My name is Scott Bothfeld and I work for Enterprise Rent A Car of the Dakotas/Nebraska. I am appearing on behalf of the Rental Car Industry. We SUPPORT SB 2047.

The sole business of our companies is the short term rental of motor vehicles to the public for a period of less than 90 days...in most instances less than a week. As part of the rental transaction, we offer options to customers at the counter, primarily as an added service for their convenience and protection.

These options, such as Liability Coverage or Personal Accident Insurance, are appealing to those renters who a) do not own a car, therefore do not have insurance; or b) want to add additional insurance to a policy which transfers over to our vehicle. Often, the renters in case "b" have only state limitations on their policies with which they are uncomfortable in an "urban" driving environment.

The coverages we offer are underwritten by licensed Insurance Companies naming the Rental Companies as the policy holders, not the policy writers.

To ensure proper representation, written material will be readily available to assist the customers in understanding the products. The material contents are outlined in the bill.

Upon review of the proposed amendments, the most significant insert is the inclusion of uninsured and underinsured motorist coverage. This is a compromise with the Insurance Commissioner's Office to which we agree.

The products in question have been offered at the rental counter for years without complaint.

Our overall purpose, Chairman Berg and Committee Members, is not to enter into the business of selling long term insurance policies. Instead, we wish to continue offering a service to a handful of our customers who require short term protection.

We respectfully request that you allow this bill to proceed. If you have any questions, I'd be happy to answer them. THANK YOU FOR YOUR TIME AND CONSIDERATION.