



## Legislation Text

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**File #:** Res 1855-2009, **Version:** \*

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### Res. No. 1855

Resolution calling on the New York State Assembly to pass A. 4916, which would amend New York State insurance law to ensure that consumers utilizing rental vehicle reimbursement coverage are able to rent from the rental vehicle company of their choice.

By Council Members Yassky, Weprin, Brewer, Comrie, James, Koppell, Lappin, Liu and Palma

Whereas, Many automobile insurance companies offer their customers rental vehicle reimbursement coverage, which covers the cost of a rental car for an owner while his or her vehicle is being repaired; and

Whereas, Though they are often unaware of this fact, consumers are legally permitted to rent a vehicle from whichever rental company they desire; and

Whereas, It has been reported that some insurers are capitalizing on their clients' ignorance by steering them to rental vehicle companies with which they are affiliated but which might not have the most competitive rates; and

Whereas, In recommending only one vehicle company and not alerting their customers to the existence of other options, insurers are taking unfair advantage of consumers who have already been severely inconvenienced and who, in some instances, were recently involved in an automobile accident; and

Whereas, If passed, A. 4916 would prohibit an insurer from requiring a consumer to rent a vehicle from a specific company, require an insurer to disclose to a consumer that he or she can use any rental vehicle company, and require an insurer to inform a consumer of his or her rights granted by this bill in a separate written document; and

Whereas, A precedent of disclosure by insurance companies was set by New York State Insurance Law section 2610, which prohibits insurers who provide collision or comprehensive coverage from requiring a

consumer to use a particular repair shop, and from recommending that a consumer use a particular repair shop;  
and

Whereas, The passage of A. 4916 is a critical step in ensuring that automobile owners are as informed as possible when taking advantage of their rental vehicle reimbursement coverage; now, therefore, be it

Resolved, That the Council of the City of New York calls on the New York State Assembly to pass A. 4916, which would amend New York State insurance law to ensure that consumers utilizing rental vehicle reimbursement coverage are able to rent from the rental vehicle company of their choice.

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