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Car Rental

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It used to be that drivers in New York were only liable for \$100.00 of damages to a rental car. The rationale behind the former law was to prevent renters from being gouged for phantom or inflated damage estimates.

Recently, this law was changed. Motorists and their automobile insurance companies are now liable for all repair costs for damages to their rental cars. Renters should, therefore, check their own automobile insurance policies to ensure that they are covered for damage to a rental car.

In regard to bodily injury liability, Vehicle and Traffic Law § 388(1) makes every owner of a vehicle liable for injuries resulting from negligence "in the use or operation of such vehicle * * * by any person using or operating the same with the permission, express or implied, of such owner. This law applies to car renters but also to their renters and surprisingly to those individuals who are permitted to operate the rental car by the renter. In such circumstances, the rental company is deemed to have consented to such use, even if the permissive use violates the terms of the parties' rental agreement. We point out that the authorized driver could be sued to reimburse the renter for some of its losses as well as by any injured parties and thus, we do not recommend that you violate your rental agreement. However, because courts did not want to restrict a rental company's liability to only authorized drivers because otherwise injured victims might be without financial recourse, you should be aware of your rights.

Often, car rental companies will ask you if you want to take out liability insurance. You should know, by law, the rental car is automatically covered with \$25,000 per person/\$50,000 per occurrence of liability coverage. Therefore, you may not want to take out this coverage if these limits are satisfactory to you.

Matthew Weiss, Esq. is the senior member of Weiss & Associates, P.C., located at 419 Park Avenue South, Second Floor, New York, N.Y. 212-683-7373. His firm defends 1000s of motorists from traffic tickets issued throughout New York State. You can also go to the firm's website at www.nytrafficticket.com