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Senate Bill 156: Insurance Requirements for Vehicle Rental Companies
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Good morning, members of the committee, and thank you for the opportunity to provide testimony today on Senate Bill 156, which would provide needed clarification on the mandatory insurance requirements for vehicle rental companies. Representatives from U-Haul and Enterprise are here today as well and will be able to provide an industry perspective on the issue.

This issue stems from a 2007 case in Eau Claire County, in which the court ruled that a consumer rental truck company must meet the minimum financial responsibility (MFR) requirements for common and contract carriers transporting property. Wisconsin law currently requires that motor carrier rental companies have proof of motor vehicle liability insurance in order to register vehicle and obtain a motor carrier operating permit. Subject to federal law, this amount is generally between $300,000 and $750,000 depending on different factors, including gross vehicle weight and type of freight being hauled.

This language on "rental companies" conflicts with another state statute that requires minimum liability specifically for rented and leased vehicles, including trucks. These minimums are the 25/50/10 standard that we are all familiar with for personal automobiles, which is consistent with how rental vehicles are treated in other states.

To solve this issue, this bill creates a definition of "rental company" in the motor carrier insurance provisions that specifically excludes consumer rental trucks. Due to complex liability issues, common carriers of property, contract carriers, or carriers of hazardous material who may rent trucks to supplement their fleet must still comply with the required federal insurance limits. This would put Wisconsin in line with the other 49 states that do not treat consumer rental trucks similarly to commercial trucks that haul freight.

Thank you again for the opportunity to speak on this bill. I would be happy to answer any questions you may have.