IC 24-4-9

Chapter 9. Motor Vehicle Rental Companies

IC 24-4-9-0.1

Application of chapter to certain rental agreements

Sec. 0.1. The addition of this chapter by P.L.232-1989 does not apply to rental agreements entered into before July 1, 1989.

As added by P.L.220-2011, SEC.388.

IC 24-4-9-1

"Authorized driver"

Sec. 1. As used in this chapter, with respect to a vehicle that is the subject of a rental agreement, "authorized driver" means:

(1) the renter of the vehicle;

(2) the spouse of the renter, if the spouse:

(A) is a licensed driver; and

(B) satisfies the rental company's minimum age requirement for authorized drivers;

(3) an employer or coworker of the renter, if the employer or coworker:

(A) is engaged in a business activity with the renter;

(B) is a licensed driver; and

(C) satisfies the rental company's minimum age requirement for authorized drivers;

(4) a person who operates the vehicle:

(A) while parking the vehicle at a commercial establishment; or

(B) in an emergency; or

(5) a person expressly identified as an authorized driver in the rental agreement.

As added by P.L.232-1989, SEC.1.

IC 24-4-9-2

"Damage waiver"; "waiver"

Sec. 2. As used in this chapter, "damage waiver" or "waiver" means any contract or contract provision, whether separate from or a part of a rental agreement, under which a rental company agrees to waive any or all claims against the renter for any physical or mechanical damage, as defined in section 13 of this chapter, to the rented vehicle during the term of the rental agreement.

As added by P.L.232-1989, SEC.1. Amended by P.L.19-2005, SEC.1.

IC 24-4-9-3

"Damage"

Sec. 3. As used in this chapter, "damage" means physical damage or loss to a vehicle, including loss of use of the vehicle and the cost and expenses incident to any damage or loss.

As added by P.L.232-1989, SEC.1.

IC 24-4-9-4

"Person"

Sec. 4. As used in this chapter, "person" means an individual, a firm, a partnership, limited liability company, an association, a joint stock company, a corporation, a trust, an estate, or any combination of individuals.

As added by P.L.232-1989, SEC.1. Amended by P.L.8-1993, SEC.356.

IC 24-4-9-5

"Rental agreement"

Sec. 5. As used in this chapter, "rental agreement" means a written contract:

(1) that authorizes a renter to use a vehicle made available by a rental company for a period of thirty (30) days or less;

(2) under which a charge for use of the vehicle is made at a periodic rate; and

(3) under which title to the vehicle is not transferred to the renter.

As added by P.L.232-1989, SEC.1.

IC 24-4-9-6

"Renter"

Sec. 6. As used in this chapter, "renter" means a person who obtains the use of a vehicle from a rental company under a rental agreement.

As added by P.L.232-1989, SEC.1.

IC 24-4-9-7

"Rental company"

Sec. 7. As used in this chapter, "rental company" means any person engaged in the business of regularly making available, or arranging for another person to use, a vehicle under a rental agreement.

As added by P.L.232-1989, SEC.1.

IC 24-4-9-8

"Vehicle"

Sec. 8. As used in this chapter, "vehicle" means a private passenger motor vehicle primarily designed for transporting passengers. The term includes passenger vans and minivans that are primarily designed for transporting passengers.

As added by P.L.232-1989, SEC.1.

IC 24-4-9-9

Rental agreement application of damage waivers

Sec. 9. A rental company may provide in a rental agreement that a damage waiver does not apply under any of the following circumstances:

(1) The damage is caused by the authorized driver:

(A) intentionally; or

(B) through willful or wanton misconduct.

(2) The damage arises out of the authorized driver's operation of the vehicle while intoxicated or under the influence of an illegal drug.

(3) The damage is caused while the authorized driver is engaged in a speed contest, race, road rally, test, or driver training activity.

(4) The renter provided the rental company with fraudulent or false information and the rental company would not have rented the vehicle if the rental company had received true information.

(5) The damage arises out of vandalism or theft of the rented vehicle caused by the negligence of the authorized driver, except that the possession by the authorized driver, at the time of the vandalism or theft, of the ignition key furnished by the rental company shall be prima facie evidence that the authorized driver was not negligent.

(6) The damage arises out of the use of the vehicle in connection with conduct that could be properly charged as a felony.

(7) The damage arises out of the use of the vehicle to carry persons or property for hire or to tow or push anything.

(8) The damage arises out of the use of the vehicle outside the United States, unless the use is specifically authorized by the rental agreement.

(9) The damage arises out of the use of the vehicle by an unauthorized driver.

As added by P.L.232-1989, SEC.1. Amended by P.L.19-2005, SEC.2.

IC 24-4-9-10

Sale of damage waivers; disclosures; acknowledgment by renter

Sec. 10. (a) A rental company may offer and sell, for a separate charge, a damage waiver that is set forth in the rental agreement and that relieves an authorized driver of any liability for damage that the authorized driver might otherwise incur.

(b) Each rental agreement that contains a damage waiver must disclose the following information in plain language printed in type at least as large as 10 point type:

(1) That the waiver is optional.

(2) That the waiver entails an additional charge.

(3) The actual charge per day for the waiver.

(4) All restrictions, conditions, and provisions in or endorsed on the waiver.

(5) That the renter or other authorized driver may already be sufficiently covered for damage to the rental vehicle and should examine the renter's or authorized driver's automobile insurance policy to determine whether the policy provides coverage for damage, loss, or loss of use to a rented vehicle, and the amount of the deductible.

(6) That by entering into the rental agreement, the renter may be liable for damage, loss, or loss of use to the rental vehicle.

(c) A rental company may not rent a vehicle to a renter until the renter has acknowledged in writing that the renter understands the information set forth in subsection (b). The acknowledgment must be written in plain language on the rental agreement and must be initialed by the renter.
As added by P.L.232-1989, SEC.1. Amended by P.L.19-2005, SEC.3.

IC 24-4-9-11
Repealed
(*Repealed by P.L.171-1997, SEC.2.)*

IC 24-4-9-12
Rental company's action for damages
Sec. 12. A rental company may bring an action to recover for damage based on a rental agreement. If the action is against a renter who is a resident of Indiana, the action shall be filed in the county of the renter's primary residence.
As added by P.L.232-1989, SEC.1.

IC 24-4-9-13
Limitation of renter's liability generally
Sec. 13. A rental company and renter may agree that the renter will be responsible for no more than all of the following:
(1) Physical damage to the rented vehicle up to its fair market value regardless of the cause of damage.
(2) Mechanical damage to the rental vehicle, up to and including the rental vehicle's fair market value, resulting from:
(A) a collision;
(B) an impact; or
(C) another incident that is caused by the renter's or authorized driver's deliberate act.
(3) Loss due to theft of the rental vehicle up to its fair market value. However, the renter shall be presumed to have no liability for any loss due to theft if the renter or authorized driver:
(A) has possession of the ignition key furnished by the rental company or establishes that the ignition key furnished by the rental company was not in the vehicle at the time of the theft; and
(B) files an official report of the theft with the police or other law enforcement agency within twenty-four (24) hours of learning of the theft and reasonably cooperates with the rental company, police, and other law enforcement agency in providing information concerning the theft.
The presumption set forth in this subdivision is a presumption affecting the burden of proof, which the rental company may rebut by establishing that a renter or other authorized driver committed or aided and abetted in the commission of the theft.
(4) Physical damage to the rented vehicle up to its fair market value resulting from vandalism occurring after, or in connection

with, the theft of the rented vehicle. However, the renter is presumed to have no liability for any loss due to vandalism if the renter or authorized driver:

(A) has possession of the ignition key furnished by the rental company or establishes that the ignition key furnished by the rental company was not in the vehicle at the time of the vandalism; and

(B) files an official report of the vandalism with the police or other law enforcement agency within twenty-four (24) hours of learning of the vandalism and reasonably cooperates with the rental company, police, and other law enforcement agency in providing information concerning the vandalism.

The presumption set forth in this subdivision is a presumption affecting the burden of proof, which the rental company may rebut by establishing that a renter or other authorized driver committed or aided and abetted in the commission of the vandalism.

(5) Physical damage to the rented vehicle and loss of use of the rented vehicle up to its fair market value resulting from vandalism unrelated to the theft of the rented vehicle.

(6) Loss of use of the rented vehicle, if the renter is liable for damage.

(7) Actual charges for towing, storage, and impoundment fees paid by the rental company, if the renter is liable for damage.

(8) Reasonable attorney's fees related to the enforcement of the rental agreement.

(9) An administrative charge, including the cost of appraisal and all other costs and expenses incident to the damage, loss, loss of use, repair, or replacement of the rented vehicle.

As added by P.L.232-1989, SEC.1. Amended by P.L.70-2003, SEC.1; P.L.19-2005, SEC.4.

IC 24-4-9-14

Damage to rented vehicle; rental company's loss of use of damaged vehicle; administrative charges

Sec. 14. (a) The total amount of the renter's liability to the rental company resulting from damage to the rented vehicle may not exceed the sum of the following:

(1) The estimated cost of replacement parts that the rental company would have to pay to replace damaged vehicle parts, less all discounts and price reductions or adjustments that will be received by the rental company.

(2) The estimated cost of labor to replace damaged vehicle parts, which may not exceed the product of:

(A) the rate for labor usually paid by the rental company to replace vehicle parts of the type that were damaged; and

(B) the estimated time for replacement;

less all discounts and price reductions or adjustments that will be received by the rental company.

(3) The estimated cost of labor to repair damaged vehicle parts, which may not exceed the lesser of the following:

(A) The product of the rate for labor usually paid by the rental company to repair vehicle parts of the type that were damaged and the estimated time for repair.

(B) The sum of the estimated labor and parts costs determined under subdivisions (1) and (2) to replace the same vehicle parts.

All discounts and price reductions or adjustments that will be received by the rental company must be taken into account in determining the figure under this subdivision.

(4) Except as otherwise provided for, the loss of the use of the rented vehicle, which may not exceed the product of:

(A) the rental rate stated in the rental agreement for the particular vehicle rented, excluding optional charges; and

(B) the total of the estimated time for replacement and estimated time for repair.

(5) Actual charges for towing, storage, and impound fees paid by the rental company.

(b) Under any circumstances described in this chapter, liability for the rental company's loss of use of the rented vehicle may not exceed the product of:

(1) the rental rate stated in the rental agreement for the particular vehicle rented, excluding all optional charges; and

(2) eighty percent (80%) of the period from the date of the accident to the date the vehicle is ready to be returned to rental service.

However, a renter is not liable to a rental company for the loss of use of a damaged vehicle unless the renter uses its best efforts to effect repairs and return the vehicle to rental service.

(c) The administrative charge described in section 13(9) of this chapter may not exceed:

(1) ten percent (10%) of the total estimated cost for parts and labor, if the damage is one thousand five hundred dollars ($1,500) or less; or

(2) the amount specified in subdivision (1) plus seven and one-half percent (7 1/2%) of the amount in excess of one thousand five hundred dollars ($1,500), if the total estimated cost for parts and labor exceeds one thousand five hundred dollars ($1,500).

As added by P.L.232-1989, SEC.1. Amended by P.L.70-2003, SEC.2.

IC 24-4-9-15

Renter's maximum total liability; multiple recovery of single item of damages

Sec. 15. (a) The total amount of the liability of the renter or other authorized driver to the rental company for damage occurring during the rental period may not exceed the amount of the renter's liability under section 14 of this chapter.

(b) A rental company may not recover from the renter or other

authorized driver an amount exceeding the renter's liability under section 14 of this chapter.

(c) A rental company may not recover from the renter or other authorized driver for any item described in section 13 of this chapter to the extent that the rental company obtains recovery for that item from another person.

As added by P.L.232-1989, SEC.1.

IC 24-4-9-16

Damage deposits or advances; damages to vehicle not payable until liquidated

Sec. 16. (a) A rental company may not require a deposit or advance charge against the credit card of a renter, in any form, for damage to a rental vehicle that is in the care, custody, or control of the renter or other authorized driver.

(b) A rental company may not require any payment for damage to the rental vehicle until after the cost of the damage and liability for the damage is agreed to between the rental company and renter or is determined under law.

As added by P.L.232-1989, SEC.1.

IC 24-4-9-17

Rental rates, mileage charges, and fees; disclosures and prohibited practices

Sec. 17. A rental company of a vehicle:

(1) may not offer, display, quote, or advertise and charge in a rental agreement a periodic rate that does not include the entire amount to be charged, except for taxes, airport fees, and mileage, if any, that a renter must pay to rent the vehicle for the period of time to which the rate applies;

(2) shall clearly and conspicuously disclose in any visual or oral advertisement or quotation transmitting computer system in which the rental company presents its rate, the terms of any mileage conditions relating to the advertised or quoted rate, including but not limited to, to the extent applicable, the amount of mileage, the number of miles for which no charges will be imposed, and a description of geographic driving limitations within the United States;

(3) may not charge, in addition to the rental rate, taxes, airport fees, and mileage charge, if any, any fee that must be paid by the renter as a condition of renting the vehicle, such as, but not limited to, required fuel surcharges, or any fee for transporting the renter to the location where the rented vehicle will be delivered to the renter; and

(4) shall separately disclose, charge, and remit to an airport any fee that is charged to the customer and is required to be fully remitted to an airport's management entity, and such fee shall be considered part of and included in the definition of gross concession revenue reported to the airport’s management authority.

As added by P.L.232-1989, SEC.1. Amended by P.L.57-1999, SEC.1.

IC 24-4-9-18

Additional charges for optional items

Sec. 18. Notwithstanding section 17(3) of this chapter, a rental company may charge for the rental of a vehicle, in addition to the rental rate, taxes, airport fees, and any mileage charge, an additional charge for an item or service provided during the rental of the vehicle if the renter can avoid incurring that additional charge by choosing not to obtain the item or utilize the service. Items and services for which the rental company may impose an additional charge under this section include the following:

(1) Optional insurance or accessories requested by the renter.

(2) Service charges assessed when the insured returns the vehicle to a location other than the location where the vehicle was rented.

(3) A charge for refueling a vehicle that is returned with less fuel in its tank than when the rental period began.

(4) A damage waiver that conforms to the provisions of this chapter.

As added by P.L.232-1989, SEC.1. Amended by P.L.57-1999, SEC.2; P.L.19-2005, SEC.5.

IC 24-4-9-19

Nonconforming rental agreements unenforceable

Sec. 19. A rental agreement entered into in Indiana is unenforceable if the agreement does not conform to this chapter.

As added by P.L.232-1989, SEC.1.

IC 24-4-9-20

Renter's action for damages or equitable relief; attorney's fees

Sec. 20. A renter may bring an action against a rental company for recovery of damages and appropriate equitable relief for a violation of this chapter. The prevailing party may be awarded reasonable attorney's fees.

As added by P.L.232-1989, SEC.1.

IC 24-4-9-21

Waiver of chapter provisions void and unenforceable

Sec. 21. Any waiver of any provision of this chapter is void and unenforceable.

As added by P.L.232-1989, SEC.1.

IC 24-4-9-22

Unfair, deceptive, or coercive acts by rental company

Sec. 22. A rental company may not engage in any unfair, deceptive, or coercive act to induce a renter to purchase a damage waiver or any other optional good or service.

As added by P.L.232-1989, SEC.1. Amended by P.L.19-2005, SEC.6.

IC 24-4-9-23

Statistical reporting by rental companies; administration review of maximum charge for damage waiver

Sec. 23. (a) If a rental company enters into at least one (1) rental agreement containing a damage waiver in Indiana during a calendar year, the rental company shall compile and maintain the following statistics concerning all the rental agreements the rental company enters into in Indiana during that calendar year:

(1) The total expenses incurred by the rental company as a result of damage to vehicles that is caused while the vehicles are subject to the rental agreements.

(2) The total amount of the expenses referred to in subdivision (1) for which the rental company is indemnified.

(3) The total number of vehicles subject to the rental agreements, multiplied by the total number of days of the calendar year during which the vehicles are subject to the rental agreements.

(b) The expenses on which a rental company must compile statistics under subsection (a)(1) are the following:

(1) The cost that the rental company pays to replace damaged vehicle parts, less all discounts and price reductions or adjustments received by the rental company.

(2) The cost of labor paid by the rental company to replace damaged vehicle parts.

(3) The cost of labor paid by the rental company to repair damaged vehicle parts.

(4) The loss of use of the damaged vehicles, which must be determined according to the following formula:

STEP ONE: For each damaged vehicle, multiply the time necessary for the repair and replacement of damaged parts by eighty percent (80%).

STEP TWO: For each damaged vehicle, multiply the product of STEP ONE by the rental rate set forth in the rental agreement to which the vehicle was subject when damaged.

STEP THREE: Total the figures determined under STEP TWO for all of the damaged vehicles.

(5) Actual charges for towing, storage, and impound fees paid by the rental company.

(c) The director of the division of consumer protection appointed under IC 4-6-9-2 may request that rental companies provide the director with statistics compiled and maintained under subsection (a).

(d) Upon receiving a request under subsection (c), a rental company shall provide the director of the division of consumer protection with the statistics that are requested by the director.

As added by P.L.232-1989, SEC.1. Amended by P.L.171-1997, SEC.1; P.L.19-2005, SEC.7.

IC 24-4-9-24

Remedies for rental company violations of chapter provisions

Sec. 24. A rental company who violates any provision of this

chapter commits a deceptive act which is actionable under IC 24-5-0.5 and subject to the penalties of IC 24-5-0.5.
As added by P.L.232-1989, SEC.1.