

## ACRA Respectfully Opposes House Bill 209

### *An Act To Amend Titles 6 And 21 Of The Delaware Code Relating To Rental Car Companies And Peer-To-Peer Car Sharing*

ACRA is the national representative for over 98% of our nation's car rental industry. ACRA's membership is comprised of over 300 car rental companies, including all of the brands you would recognize such as Alamo, Avis, Budget, Dollar, Enterprise, Fox, Hertz, National, Sixt and Thrifty. ACRA members also include many system licensees and franchisees, mid-size, regional and independent car rental companies as well as smaller, "mom & pop" operators. In Delaware, when a resident or business traveler or tourist is renting a car, the chances are very high they are renting from a member of ACRA. Therefore, please consider these ACRA comments as the comments of the car rental operators across the state of Delaware.

**HB 209 singles out the shared mobility service models of vehicle rental and peer-to-peer car sharing, abrogating their right as property owners to seek common law damages, specifically loss of use, afforded to all other businesses and individuals in Delaware.**

- As it pertains to this legislation, loss of use is the temporary inability to use personal property (our members' vehicles) due to the negligence or wrongdoings of another party, most commonly due to a motor vehicle accident.
- Loss of use protects our customers from incurring higher rental costs because it places the responsibility for damages on the person at fault for an accident.
  - Loss of use is collected from the party responsible for the lost revenue a rental company incurs while their vehicle is undergoing repairs.
  - If loss of use is eliminated, that lost revenue would be spread to all rental customers, instead of the negligent individual.
- Loss of use is most commonly addressed via insurance coverage and subrogation claims.
  - Insurance policies cover their insureds' loss of use damages under their policy provisions.
  - Then the insurance company subrogates against the negligent party, if there is one, to recover those costs.
- If enacted, this legislation would supersede statutory and common law rights of individuals engaged in the business of renting or sharing vehicles, barring them – or their insurers - from recouping their damages after their property has been made unusable due to the negligence of another party.

Thank you for considering ACRA's belief that **House Bill 209 ought not to pass.** ACRA welcomes the opportunity to discuss this important issue. If you have questions about ACRA's position, please contact Gregory M. Scott at 202-297-5123 or at [gscott@merevir.com](mailto:gscott@merevir.com).