

What's Next, Yak Rental Insurance?

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By Cheryl Miller

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SACRAMENTO — They call it the yak bill.

AB 2059 doesn't actually address long-haired bovines. But the legislation, sponsored by the Consumer Attorneys of California, was inspired in part by one of these Himalayan natives. And the "yak" handle is apparently catchier among lawmakers than "the car rental bill," which might be a more accurate, but boring, moniker.

AB 2059 targets car rental companies that sell temporary insurance policies to renters who live outside of California. Plaintiff attorneys say that when those drivers hurt someone they often head back home thinking that those insurance policies will cover their liability. But when a victim decides to sue, tracking down the driver to serve notice can be a real pain, particularly when the renter lives outside the country.

Just ask Christopher Dolan, president of the Consumer Attorneys. About 10 years ago, one of Dolan's clients was struck and injured by a rental car driver who happened to live in Tibet. Tracking down the driver, it turns out, required more than a knowledgeable process server with a Google map.

"I had to get the driver served in Tibet and I remember getting a bill for service involving a yak," Dolan said.

And that's how AB 2059 came to be known as the yak bill.

The legislation would require car rental companies to accept service of process on behalf of their renters as long as plaintiffs agree to accept the recovery limits in the companies' insurance policies. The company would then forward the summons to its customers.

"We shouldn't have to run half way around the world to serve someone," said Dolan. "It shouldn't be a tag game."

Drivers don't even have to live in countries where yaks are a significant transportation source to make service difficult and costly, trial lawyers say. Plaintiffs sometimes have to comply with complex provisions in the Hague Convention of 1965 to serve a foreign driver. And then there are the costs of translating documents into a foreign language and finding a reliable server.

Not surprisingly, two big car rental companies, Hertz Corp. and Avis Budget Group, are fighting the bill. In a letter to lawmakers, the companies' lobbyists argued that the changes unfairly shift the burden of locating defendants. And because California law allows a renter's spouse or co-worker to drive the car, the company doesn't always have the contact information a lawyer is seeking.

Dolan counters that rental insurance policies, which drivers can pay more than \$30 a day for, should cover the costs of tracking down the right person.

"This is about trying to make the insurance policies real, accessible and fair to the people they're supposed to benefit, which is the injured," said Dolan.

AB 2059 is awaiting a final vote in the state Assembly.