

111TH CONGRESS
1ST SESSION

H. R. 3088

To require an automobile manufacturer that the Federal Government has an ownership interest in or that has an outstanding loan from the Federal Government to purchase liability insurance from an insurance company.

IN THE HOUSE OF REPRESENTATIVES

JUNE 26, 2009

Mr. CARSON of Indiana (for himself and Mr. BRALEY of Iowa) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To require an automobile manufacturer that the Federal Government has an ownership interest in or that has an outstanding loan from the Federal Government to purchase liability insurance from an insurance company.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Jeremy Warriner Con-
5 sumer Protection Act of 2009”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

1 (1) Product liability is an important legal mech-
2 anism to ensure that those who make products avail-
3 able to the public are held responsible for the inju-
4 ries those products cause.

5 (2) American consumers have a legal right to
6 obtain compensation for injuries caused by defec-
7 tively designed or built cars.

8 (3) Under its purchase agreement, newly re-
9 structured Chrysler will not have product liability for
10 millions of existing Chrysler vehicles currently on the
11 road, potentially leaving hundreds of individuals and
12 families uncompensated for injuries caused by vehi-
13 cle defects.

14 (4) Under ongoing bankruptcy proceedings,
15 General Motors is likely to sell its assets under simi-
16 lar terms to those of Chrysler, in this case leaving
17 those who have been or might be injured by any of
18 the tens of millions of existing General Motors vehi-
19 cles with no effective legal recourse for product li-
20 ability.

21 (5) There are more than 10 million Chrysler
22 and 30 million General Motors vehicles currently on
23 the road that are subject to safety recalls and, on
24 average, there will be 500 to 1,000 serious auto in-
25 juries or fatalities in these vehicles every year.

1 (6) Taking away the legal right to seek com-
2 pensation for injuries will result in no accountability
3 for companies that put cars with defects on the mar-
4 ket.

5 (7) Without compensation, many innocent vic-
6 tims will be left struggling to pay massive medical
7 bills while potentially being unable to work. These
8 health care and disability costs will be borne by
9 State and Federal governments, at a time when they
10 can least afford it.

11 **SEC. 3. INSURANCE REQUIREMENT.**

12 (a) IN GENERAL.—Any automobile manufacturer
13 that the Federal Government has an ownership interest
14 in or that has an outstanding loan from the Federal Gov-
15 ernment shall purchase liability insurance from an insur-
16 ance company.

17 (b) INSURANCE SPECIFICATIONS.—

18 (1) IN GENERAL.—The liability insurance de-
19 scribed under subsection (a) shall provide products
20 liability coverage in sums that are actuarially rea-
21 sonable for—

22 (A) all products that the manufacturer has
23 marketed or sold in the United States;

1 (B) all products that any predecessor cor-
2 poration of the manufacturer has marketed or
3 sold in the United States; and

4 (C) all future products that the manufac-
5 turer markets or sells in the United States.

6 (2) SUCCESSOR ENTITY COVERAGE.—The liabil-
7 ity insurance described under subsection (a) shall
8 provide for the coverage of any successor entity of
9 the manufacturer as an additional insured.

10 (3) SELF-RETENTION LIMITS.—The liability in-
11 surance described under subsection (a) may have
12 self-retention limits, but such limits may not be
13 greater than \$200,000 per claim.

14 (c) NO DEFENSE BASED ON BANKRUPTCY.—If an
15 automobile manufacturer described in subsection (a), or
16 any successor entity, is a named insured under a liability
17 insurance plan, any defense predicated upon Bankruptcy
18 to a liability claim involving such plan shall be null and
19 void.

20 (d) RULEMAKING.—Not later than 90 days after the
21 date of the enactment of this Act, the Administrator of
22 the National Highway Traffic Safety Administration shall
23 initiate a rulemaking proceeding to implement the insur-
24 ance requirement under this section.

1 (e) CIVIL PENALTY.—The Administrator of the Na-
2 tional Highway Traffic Safety Administration may impose
3 a civil penalty against any automobile manufacturer for
4 each violation of subsection (a) in an amount not to exceed
5 5 times the amount the Administrator determines it would
6 have cost such manufacturer to purchase liability insur-
7 ance described under subsection (a).

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