

BROADCAST TRANSCRIPT

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Program Ray Dunaway

RAY DUNAWAY, co-host:

All right, you know, unfortunately our mission--our first mission in weather like this is to take care of all the housekeeping chores like who's closed and how much snow we are going to get. But there are some things that are going on that you need to know.

DIANE SMITH, co-host:

Next time I'm reading who's open.

DUNAWAY: Exactly.

SMITH: It would be shorter.

DUNAWAY: Anyway, joining us is Ken Crowley. Ken as you know, runs a group of auto dealerships here in the state and he is very active in charity and a bunch of other things. And he is with us this morning to call your attention to something that is rather disturbing I think, in a lot of ways. And it does in fact, cost you money. Ken, good morning. And thanks for being on.

Mr. KEN CROWLEY (Car Dealership Owner): Good morning, Ray. Good morning, Diane.

SMITH: Good morning, Ken.

DUNAWAY: All right now Ken, what this is, is apparently --it's called the Vicarious Liability Law. Now what this does is--let's say I lease a car from Crowley through, I don't know, Chrysler Credit or somebody, Ford Credit--whoever it may be. If I get into a wreck, I guess Ford, the person who has leased me the car is responsible?

Mr. CROWLEY: That's correct. The lessee should have adequate insurance on the car. However, what's been happening lately, is that the courts, the juries are awarding large rewards to people injured in these car accidents that involve people that have rented or leased the car, and beyond the limits of the insurance. So the lease--leasing companies are held monetarily liable in Connecticut for the negligence of drivers that they lease and rent cars to. This vicarious liability is a law that dates back to the 1700's, believe it or not, to regulate stagecoach drivers. In it's current form, the law goes back now, to the--to the 1920's. Many people, you know, buying a car today, have a choice. They can either buy or they can lease. And some customers, who may not credit qualify to lease or buy, they may need to rent a car. Not only that, but there's--there's many other areas that this renting and leasing comes to help--help the consumer. And Connecticut right now, is only one of five states in the country that have this vicarious liability. And it's true, a person leases a car or truck from a local dealer and six months later causes a fatal accident. The auto dealer or the leasing company, depending on who is the holder of the title to the car, can be sued and held liable for virtually unlimited damages.

SMITH: So what--why is this still in force in Connecticut and not in other states?

Mr. CROWLEY: Well it's just been a law that's been on the books, like I said, a long time, dating back to the—to the 1700's. And times change and the law never changed. And right now, in Connecticut, more than 20 percent of the new vehicles acquired each year are leased. And that figure goes up when you get into urban areas.

DUNAWAY: And Ken, I think what we need to point out here is, you know, when I do say that it cost you money, you being the person who is leasing the car, in fact you know nothing is free, so obviously if I do a lease, I'm going to somehow pay for it. How much am I paying?

Mr. CROWLEY: Well, what happens now is that there is an acquisition fee on every lease that is instituted. And that has doubled. The major leasers, lease companies in the state have doubled that rate. Not to mention that, you know, the cost of their insurance, because of the vicarious liability has gone through the roof. The other bad thing is, like in Rhode Island, right now, there was a recent case where a woman was severely injured in a car. And her insurance companies, the person who hit her, the insurance companies gave \$1.3 million but the juries awarded \$29.3. So that caused Chase Auto Finance to pull out and many of the other companies, General Motors Acceptance Corporation, GM is planning and talking very seriously about not being able to do business in the state of Connecticut, New York, and Rhode Island, are the three right around us.

Dunaway: Ken, I don't have a lot of time. I've got a minute left, unfortunately because of all the weather stuff we have to get back into. But I did want to say--is there a bill to rescind this? Is there something going on that people should know about--get a hold of their legislators. What do you want people to do on this?

Mr. CROWLEY: Absolutely, get a hold of your legislators and let's get rid of this antiquated thing that's affecting the consumer and the people that are least able to pay.

DUNAWAY: Yeah, because you are right, in a lot of cases you can't afford the payment on a car if you are going to buy it, you can lease it, and it's an affordable way to do it. And if this is going to make it more expensive or impossible, it is going to be--create a lot of difficulty for folks.

Mr. CROWLEY: Well not only that, but take couples that--families that have small compact cars. It comes vacation time and they need a van to go away, or to take the kids back to school, or whatever. This is costing them a tremendous amount more money because of this vicarious liability act.

DUNAWAY: All right Ken, please keep us, you know, informed as to what's going on with this. We'll be glad to help you out, okay?

Mr. CROWLEY: Absolutely. Thanks for your interest. We appreciate it.

DUNAWAY: Ken Crowley. It's 9:31. Ooh, I got to play Bill Hennessey. How exciting is that?

SMITH: A highlight, definitely a highlight.

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