

**325F.95 LIABILITY; LIABILITY DAMAGE WAIVER.**

Subdivision 1. **Liability of lessee.** The lessee is liable for loss, destruction, or damage of the rental property during the term of the rental agreement. The amount for which the lessee may be held liable in the case of loss or destruction of the property may not exceed the price that the lessee would have paid to exercise an early purchase option. In the case of damage to the property other than normal wear and tear, the lessee is liable for the price that the lessee would have paid to exercise an early purchase option or the cost of repair as reasonably determined by the lessor, whichever is less.

Subd. 2. **Liability damage waiver.** (a) The lessor must offer a liability damage waiver to the lessee to cover the lessee's liability for any loss, destruction, or damage of the rental property. The cost of the liability damage waiver may not exceed ten percent of the lessee's lease payment.

(b) The lessor must inform the lessee of the following options available to the lessee regarding the property subject to a rental-purchase agreement:

- (1) furnish insurance coverage on the property through an existing insurance policy that is owned by the lessee;
- (2) purchase insurance coverage on the property through any insurer authorized to transact business in this state;
- (3) purchase liability damage waiver coverage from the lessor; or
- (4) decline to furnish or purchase insurance coverage or liability damage waiver coverage.

**History:** 1990 c 527 s 12