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# A BILL FOR AN ACT

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RELATING TO PEER-TO-PEER CAR-SHARING INSURANCE REQUIREMENTS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. The legislature finds that peer-to-peer car-  
2 sharing programs, which are not rental car businesses, do not  
3 have established requirements for insurance coverage. These  
4 agreement-based car-sharing programs must ensure that cars in  
5 their programs are properly insured specifically for peer-to-  
6 peer car-sharing purposes.

7       The legislature further finds that it is in the public's  
8 interest to establish requirements for peer-to-peer car-sharing  
9 programs regarding mandatory insurance coverage.

10       Accordingly, the purpose of this Act is to establish  
11 mandatory insurance terms for peer-to-peer car-sharing programs.

12       SECTION 2. Chapter 431, article 10C, Hawaii Revised  
13 Statutes, is amended by adding a new part to be appropriately  
14 designated and to read as follows:

15       **"PART       .   PEER-TO-PEER CAR-SHARING INSURANCE**

16       **§431:10C-A Definitions.** As used in this chapter:



1 "Car-sharing delivery period" means the period of time  
2 during which a shared car is being delivered to the location  
3 of the car-sharing start time, if applicable, as documented  
4 by the governing car-sharing program agreement.

5 "Car-sharing period" means the period of time that  
6 commences with the car-sharing delivery period or, if there  
7 is no delivery period, that commences with the car-sharing  
8 start time and, in either case, ends at the car-sharing  
9 termination time.

10 "Car-sharing program agreement" means the terms and  
11 conditions applicable to a shared car owner, a shared car  
12 driver, and a peer-to-peer car-sharing platform, if  
13 applicable, that govern the use of a shared car through a  
14 peer-to-peer car-sharing program. "Car-sharing program  
15 agreement" does not include a rental agreement as defined in  
16 section 437D-3.

17 "Car-sharing start time" means the time the shared car  
18 driver obtains operation, use, or control of a shared car  
19 through a peer-to-peer car-sharing program.

20 "Car-sharing termination time" means the latest of the  
21 following events:



- 1           (1) The expiration of the agreed upon period of time  
2           established for the use of a shared car according to  
3           the terms of the car-sharing program agreement if  
4           the shared car is delivered to the location agreed  
5           upon in the car-sharing program agreement;
- 6           (2) When the shared car is returned to a location as  
7           alternatively agreed upon by the shared car owner  
8           and shared car driver as communicated through a  
9           peer-to-peer car-sharing program;
- 10          (3) When a shared car is returned to the location agreed  
11          upon in the car-sharing program agreement or  
12          alternatively agreed upon by the shared car owner  
13          and the shared car driver, as communicated through a  
14          peer-to-peer car-sharing program, before the  
15          expiration of the period of time established for the  
16          use of a shared car according to the terms of the  
17          car-sharing program agreement, and the shared car  
18          driver notifies the peer-to-peer car-sharing program  
19          of the location of the shared car;
- 20          (4) When a shared car, during the car-sharing period,  
21          cannot safely or legally be operated and the shared



1 car driver notifies the peer-to-peer car-sharing  
2 program that the shared car is inoperable and  
3 identifies the location of the shared car;

4 (5) When the shared car owner receives notice of a  
5 safety recall affecting the shared car and the  
6 shared car driver returns the shared car to the  
7 location agreed upon in the car-sharing program  
8 agreement, or alternatively agreed upon by the  
9 shared car owner and the shared car driver, and the  
10 shared car driver notifies the peer-to-peer car-  
11 sharing program of the location of the shared car;

12 or

13 (6) When the shared car owner or the shared car owner's  
14 authorized designee takes possession and control of  
15 the shared car.

16 "Peer-to-peer car-sharing" means the operation, use, or  
17 control of a motor vehicle by an individual other than the  
18 motor vehicle's owner through a peer-to-peer car-sharing  
19 program. "Peer-to-peer car-sharing", for the purposes of  
20 assessing a vehicle surcharge tax, does not mean the business



1 of providing rental motor vehicles to the public as that  
2 phrase is used in section 251-3.

3 "Peer-to-peer car-sharing platform" means any person or  
4 business that owns or operates a peer-to-peer car-sharing  
5 program.

6 "Peer-to-peer car-sharing program" means:

- 7 (1) Any person who enables a shared car driver to  
8 identify, reserve, or use a shared car owned by a  
9 shared car owner; or
- 10 (2) Any person who enables a shared car owner to  
11 describe, list, or make available a shared car for  
12 identification, reservation, or use by a shared car  
13 driver.

14 "Peer-to-peer car-sharing program" does not include:

- 15 (1) A transportation network company as defined in  
16 section 431:10C-701;
- 17 (2) A car-sharing organization as defined in section  
18 251-1;
- 19 (3) Any person registered and acting as a travel agency  
20 pursuant to chapter 468L; or



(4) Any person registered and acting as an activity desk pursuant to chapter 468M.

"Shared car" means a motor vehicle that is registered pursuant to chapter 286 and is not owned; controlled; operated; maintained; or managed by or registered, directly or indirectly through an affiliate, to the peer-to-peer car-sharing program; and is available for sharing through a peer-to-peer car-sharing program. "Shared car" does not include a rental motor vehicle or vehicle as those terms are defined in section 437D-3.

"Shared car driver" means an individual who has been authorized to drive the shared car by the shared car owner under a car-sharing program agreement. "Shared car driver" does not include a lessee as defined in section 437D-3.

"Shared car owner" means the registered owner of a shared car. "Shared car owner" does not include a lessor as defined in section 437D-3.

**§431:10C-B Insurance coverage during car-sharing period.**

(a) A peer-to-peer car-sharing program shall ensure that during each car-sharing period, the shared car shall be



1 insured under a motor vehicle insurance policy that shall  
2 provide:

3 (1) Primary insurance coverage for each shared car  
4 available and used through a peer-to-peer car-  
5 sharing program in amounts not less than \$750,000  
6 for death, bodily injury, and property damage per  
7 accident, and costs of defense outside the limits;

8 (2) Primary insurance coverage for each shared car  
9 available and used through a peer-to-peer car-  
10 sharing program for personal injury protection  
11 coverage that meets the minimum coverage amounts  
12 required by section 431:10C-103.5; and

13 (3) The following optional coverages, which any named  
14 insured may elect to reject or purchase, that  
15 provides primary coverage for each shared car  
16 available and used through a peer-to-peer car-  
17 sharing program:

18 (A) Uninsured and underinsured motorist coverages  
19 as provided in section 431:10C-301, which shall  
20 be equal to the primary liability limits  
21 specified in this section; provided that



1 uninsured and underinsured motorist coverage  
2 offers shall provide for written rejection of  
3 the coverages as provided in section 431:10C-  
4 301;

5 (B) Uninsured and underinsured motorist coverage  
6 stacking options as provided in section  
7 431:10C-301; provided that the offer of the  
8 stacking options shall provide for written  
9 rejection as provided in section 431:10C-301;

10 (C) An offer of required optional additional  
11 insurance coverages as provided in section  
12 431:10C-302; and

13 (D) In the event the only named insured under the  
14 motor vehicle insurance policy issued pursuant  
15 to this section is the peer-to-peer car-sharing  
16 program, the insurer or the peer-to-peer car-  
17 sharing program shall:

18 (i) Disclose the coverages in writing to the  
19 peer-to-peer car-sharing driver;

20 (ii) Disclose to the peer-to-peer car-sharing  
21 driver in writing that all optional





1 coverages available may not have been  
2 purchased under sections 431:10C-301 and  
3 431:10C-302; and

4 (iii) Obtain a written acknowledgement from the  
5 peer-to-peer car-sharing driver of receipt  
6 of the written disclosures required in  
7 paragraphs (1) and (2). The standard  
8 disclosure forms used in paragraphs (1)  
9 and (2), and every modification of such  
10 forms intended to be used, shall be filed  
11 with the commissioner within fifteen days  
12 of providing such disclosure to the peer-  
13 to-peer car-sharing driver. The insurer  
14 or the peer-to-peer car-sharing program  
15 shall also send to the peer-to-peer car-  
16 sharing driver every modified disclosure  
17 form within fifteen days of the filing of  
18 such modified disclosure form and comply  
19 with paragraph (3). Such disclosures and  
20 acknowledgement may be sent and received  
21 by electronic means.



1 (b) If insurance maintained by a shared car owner or  
2 shared car driver in accordance with subsection (a) has  
3 lapsed, contains an exclusion for peer-to-peer car-sharing,  
4 or does not provide the required coverage, insurance  
5 maintained by a peer-to-peer car-sharing program shall  
6 provide the coverage required by subsection (a) beginning  
7 with the first dollar of a claim and shall have the duty to  
8 defend the claim.

9 (c) Coverage under a motor vehicle insurance policy  
10 maintained by the peer-to-peer car-sharing program shall not  
11 be dependent on another motor vehicle insurer first denying a  
12 claim.

13 **§431:10C-C Exclusions in motor vehicle insurance**  
14 **policies.** (a) Notwithstanding section 431:10C-B, an  
15 authorized insurer that writes motor vehicle insurance in the  
16 State may exclude any and all coverage and the duty to defend  
17 or indemnify any claim afforded under a shared car owner's  
18 motor vehicle insurance policy during the car-sharing period,  
19 including:

20 (1) Liability coverage for bodily injury and property  
21 damage;



(2) Personal injury protection coverage as set forth in section 431:10C-304;

(3) Uninsured and underinsured motorist coverage;

(4) Medical payments coverage;

(5) Comprehensive physical damage coverage; and

(6) Collision physical damage coverage.

(b) Except as required under section 431:10C-B, nothing in this part shall invalidate or limit an exclusion contained in a motor vehicle insurance policy, including any insurance policy in use or approved for use that excludes coverage for motor vehicles made available for rent, sharing, or hire.

**§431:10C-D Recordkeeping; use of vehicle in peer-to-peer car-sharing.** A peer-to-peer car-sharing program shall collect and verify records pertaining to the use of a shared car for each car-sharing program agreement, including:

(1) Dates and times of the car-sharing start time and the car-sharing termination time in the car-sharing program agreement;

(2) Dates and times of the car-sharing start time and car-sharing termination time;



1 (3) Itemized descriptions and amounts of all fees and  
2 costs charged to the shared car driver;

3 (4) Itemized descriptions and amounts of all fees and  
4 costs paid by the shared car driver;

5 (5) Itemized descriptions and amounts of all fees and  
6 costs paid to the shared car owner;

7 (6) The name and contact information of the shared car  
8 owner and the shared car driver; and

9 (7) The insurance policy number, effective date,  
10 coverage, and coverage amounts of each insurance  
11 policy that identifies the peer-to-peer car-sharing  
12 program, shared car owner, or shared car driver as  
13 the insured.

14 The peer-to-peer car-sharing program shall retain the  
15 records for a time period of not less than six years. Upon  
16 request, the peer-to-peer car-sharing program shall provide  
17 the information required by this section and any information  
18 relating to the peer-to-peer car-sharing agreement in its  
19 possession and control to the shared car owner, shared car  
20 owner's insurer, shared car driver, shared car driver's  
21 insurer, persons who have sustained injury or property damage



1 involving a shared car, and police and other governmental  
2 entities to facilitate accident or claim coverage  
3 investigation.

4       **\$431:10C-E Right of recovery from peer-to-peer car-**  
5 **sharing program or its motor vehicle insurer.** (a) A motor  
6 vehicle insurer that defends or indemnifies a liability claim  
7 against a shared car owner or shared car driver that is  
8 excluded under the terms of the shared car owner's or shared  
9 car driver's policy shall have a right to seek to recover  
10 from the peer-to-peer car-sharing program or its motor  
11 vehicle insurer if the liability claim is made against the  
12 shared car owner or shared car driver for injury or damage  
13 that occurs during the car-sharing period.

14       (b) A motor vehicle insurer that pays personal injury  
15 protection benefits for injury sustained by an occupant of,  
16 or by a pedestrian when struck by, a shared car when the  
17 obligation to pay personal injury protection benefits is  
18 excluded under the shared car owner's or shared car driver's  
19 policy shall have the right to seek to recover from the peer-  
20 to-peer car-sharing program or its motor vehicle insurer if  
21 the injury occurs during the car-sharing period.



1 (c) A motor vehicle insurer that pays uninsured motorist  
2 benefits or underinsured motorist benefits for injury  
3 sustained by an occupant of a shared car when the obligation  
4 to pay uninsured motorist benefits or underinsured motorist  
5 benefits is excluded under the shared car owner's or shared  
6 car driver's policy shall have the right to seek to recover  
7 from the peer-to-peer car-sharing program or its motor  
8 vehicle insurer if the injury occurs during the car-sharing  
9 period.

10 (d) A motor vehicle insurer that pays a shared car owner  
11 for loss or damage to a shared car that is excluded under the  
12 comprehensive physical damage coverage or collision physical  
13 damage coverage of the shared car owner's or shared car  
14 driver's policy shall have the right to seek to recover from  
15 the peer-to-peer car-sharing program or its motor vehicle  
16 insurer if the loss or damage to the shared car occurs during  
17 the car-sharing period.

18 **§431:10C-F Insurable interest.** (a) Notwithstanding any  
19 law to the contrary, a peer-to-peer car-sharing program shall  
20 have an insurable interest in a shared car during the car-  
21 sharing period.



(b) In addition to the insurance coverage mandated by section 431:10C-B, a peer-to-peer car-sharing program may own and maintain as the named insured one or more policies of motor vehicle insurance that provides coverage for:

(1) Liabilities assumed by the peer-to-peer car-sharing program under a car-sharing program agreement;

(2) Any liability of the shared car owner; or

(3) Damage or loss to the shared car or any liability of the shared car driver.

**§431:10C-G Required disclosures and notices.** For each shared car participating in a car-sharing program agreement, a peer-to-peer car-sharing program shall:

(1) Before the execution of a car-sharing program agreement, provide the shared car owner and shared car driver with the terms and conditions of the car-sharing program agreement;

(2) Before the execution of a car-sharing program agreement, disclose to the shared car driver, all costs or fees that are charged to the shared car driver under the car-sharing program agreement, including all costs or fees for mandatory insurance



1 coverage charged by the peer-to-peer car-sharing  
2 program;

3 (3) Before the execution of a car-sharing program  
4 agreement, disclose to the shared car owner, all  
5 costs or fees that are charged to the shared car  
6 owner under the car-sharing program agreement,  
7 including fees or costs for mandatory insurance  
8 coverage charged by the peer-to-peer car-sharing  
9 program;

10 (4) Provide a twenty-four hour emergency telephone  
11 number for a person capable of facilitating roadside  
12 assistance for the shared car driver;

13 (5) Disclose any right of the peer-to-peer car-sharing  
14 program to seek indemnification from the shared car  
15 owner or shared car driver for economic loss  
16 sustained by the peer-to-peer car-sharing program  
17 caused by a breach of the car-sharing program  
18 agreement; provided that the peer-to-peer car-  
19 sharing program shall require the shared car owner  
20 and shared car driver to specifically and separately





1 acknowledge notice of the disclosure before

2 execution of a car-sharing program agreement;

3 (6) Disclose that a motor vehicle insurance policy  
4 issued to the shared car owner for the shared car or  
5 to the shared car driver may not provide a defense  
6 or indemnification for any claim asserted by the  
7 peer-to-peer car-sharing program; provided that the  
8 peer-to-peer car-sharing program shall require the  
9 shared car owner and shared car driver to  
10 specifically and separately acknowledge notice of  
11 the disclosure before execution of a car-sharing  
12 program agreement;

13 (7) Disclose that the peer-to-peer car-sharing program's  
14 insurance coverage of the shared car owner and  
15 shared car driver is in effect only during each car-  
16 sharing period and that the shared car may not have  
17 insurance coverage for use of the shared car by the  
18 shared car driver after the car-sharing termination  
19 time; provided that the peer-to-peer car-sharing  
20 program shall require the shared car owner and  
21 shared car driver to specifically and separately



1 acknowledge notice of the disclosure before the  
2 execution of a car-sharing program agreement;

3 (8) Disclose any insurance or protection package costs  
4 that are charged to the shared car owner or shared  
5 car driver; provided that the peer-to-peer car-  
6 sharing program shall require the shared car owner  
7 and shared car driver to specifically and separately  
8 acknowledge notice of the disclosure before the  
9 execution of a car-sharing program agreement;

10 (9) Disclose to the shared car driver any conditions in  
11 which the shared car driver is required to maintain  
12 a motor vehicle insurance policy as the primary  
13 coverage for the shared car; and

14 (10) Disclose that a shared car owner shall be permitted  
15 to obtain insurance that provides coverage for loss  
16 of use of a shared car."

17 SECTION 3. The insurance commissioner shall submit a  
18 report on the progress in the implementation of this part,  
19 including but not limited to the number of complaints and the  
20 nature of the complaints and the effect of the coverage  
21 limits on victims involved in motor vehicle accidents with



1 peer-to-peer vehicles, to the legislature no later than twenty  
2 days prior to the convening of the regular session of 2025.

3 SECTION 4. In codifying the new sections added by section  
4 2 of this Act, the revisor of statutes shall substitute  
5 appropriate section numbers for the letters used in designating  
6 the new sections in this Act.

7 SECTION 5. This Act shall take effect on January 1, 2023,  
8 and shall be repealed on June 30, 2025.

9



**Report Title:**

Peer-to-Peer Car-Sharing; Peer-to-Peer Car-Sharing Programs;  
Motor Vehicle Insurance; Insurance Requirements

**Description:**

Establishes peer-to-peer car-sharing insurance requirements.  
Effective 1/1/2023. Sunsets 6/30/2025. (CD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

