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# A BILL FOR AN ACT

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, not rental car businesses, do not have  
3 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           §   -1   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 driver 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 agreement,  
8 or alternatively agreed upon by the shared car owner  
9 and the shared car driver, and the shared car driver  
10 notifies the peer-to-peer car-sharing program of the  
11 location of the shared car; or

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

15 "Peer-to-peer car-sharing" means the operation, use, or  
16 control of a motor vehicle by an individual other than the  
17 motor vehicle's owner through a peer-to-peer car-sharing  
18 program. For the purposes of assessing a vehicle surcharge  
19 tax, "peer-to-peer car-sharing" shall not mean the business  
20 of providing rental motor vehicles to the public as that  
21 phrase is used in section 251-3.



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

2 (1) Any person who enables a shared car driver to  
3 identify, reserve, or use a shared car owned by a  
4 shared car owner; or

5 (2) Any person who enables a shared car owner to  
6 describe, list, or make available a shared car for  
7 identification, reservation, or use by a shared car  
8 driver.

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

10 (1) A "transportation network company" as defined in  
11 section 431:10C-701;

12 (2) A "car-sharing organization" as defined in section  
13 251-1;

14 (3) Any person registered and acting as a travel agency  
15 pursuant to chapter 468L; or

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

18 "Peer-to-peer car-sharing platform" means any person or  
19 business that owns or operates a peer-to-peer car-sharing  
20 program.



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

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

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

16 **§ -2 Insurance coverage during car-sharing period.**

17 (a) A peer-to-peer car-sharing program shall ensure that  
18 during each car-sharing period, the shared car shall be  
19 insured under a motor vehicle insurance policy that provides  
20 primary insurance coverage for each shared car available and  
21 used through a peer-to-peer car-sharing program in amounts no



1 less than the minimum amounts required under section  
2 431:10C-301 and does not exclude use of a shared car by a  
3 shared car driver.

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

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

16 **§ -3 Exclusions in motor vehicle insurance policies.**

17 (a) Notwithstanding section -2, an authorized insurer  
18 that writes motor vehicle insurance in the State may exclude  
19 any and all coverage and the duty to defend or indemnify any  
20 claim afforded under a shared car owner's motor vehicle  
21 insurance policy during the car-sharing period, including:



- 1 (1) Liability coverage for bodily injury and property
- 2 damage;
- 3 (2) Personal injury protection coverage as set forth in
- 4 section 431:10C-304;
- 5 (3) Uninsured and underinsured motorist coverage;
- 6 (4) Medical payments coverage;
- 7 (5) Comprehensive physical damage coverage; and
- 8 (6) Collision physical damage coverage.

9 (b) Except as required under section -2, nothing in  
10 this chapter shall invalidate or limit an exclusion contained  
11 in a motor vehicle insurance policy, including any insurance  
12 policy in use or approved for use that excludes coverage for  
13 motor vehicles made available for rent, sharing, or hire.

14 **§ -4 Recordkeeping; use of vehicle in car-sharing.** A  
15 peer-to-peer car-sharing program shall collect and verify  
16 records pertaining to the use of a shared car for each car-  
17 sharing program agreement, including:

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



- 1           (2) Dates and times of the car-sharing start time and  
2           car-sharing termination time;
- 3           (3) Itemized descriptions and amounts of all fees and  
4           costs charged to the shared car driver;
- 5           (4) Itemized descriptions and amounts of all fees and  
6           costs paid by the shared car driver;
- 7           (5) Itemized descriptions and amounts of all fees and  
8           costs paid to the shared car owner;
- 9           (6) The name and contact information of the shared car  
10          owner and the shared car driver; and
- 11          (7) The insurance policy number, effective date,  
12          coverage, and coverage amounts of each insurance  
13          policy that identifies the peer-to-peer car-sharing  
14          program, shared car owner, or shared car driver as  
15          the insured.

16           The peer-to-peer car-sharing program shall retain the  
17 records for a time period of no less than six years. Upon  
18 request, the peer-to-peer car-sharing program shall provide  
19 the information required by this section, and any information  
20 relating to the peer-to-peer car-sharing agreement in its  
21 possession and control, to the shared car owner, the shared



1 car owner's insurer, the shared car driver, the shared car  
2 driver's insurer, persons who have sustained injury or  
3 property damage involving a shared car, and police and other  
4 governmental entities to facilitate accident or claim  
5 coverage investigation.

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

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



1 to-peer car-sharing program or its motor vehicle insurer if  
2 the injury occurs during the car-sharing period.

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

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

20 § -6 Insurable interest. (a) Notwithstanding any  
21 other law or rule to the contrary, a peer-to-peer car-sharing



1 program shall have an insurable interest in a shared car  
2 during the car-sharing period.

3 (b) In addition to the insurance coverage mandated by  
4 section -2, a peer-to-peer car-sharing program may own and  
5 maintain as the named insured one or more policies of motor  
6 vehicle insurance that provides coverage for:

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

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

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

13 **§ -7 Required disclosures and notices.** For each  
14 shared car participating in a car-sharing program agreement,  
15 a peer-to-peer car-sharing program shall:

16 (1) Provide, prior to the execution of a car-sharing  
17 program agreement, the shared car owner and shared  
18 car driver with the terms and conditions of the car-  
19 sharing program agreement;

20 (2) Disclose to the shared car driver, prior to the  
21 execution of a car-sharing program agreement, all



1 costs or fees that are charged to the shared car  
2 driver under the car-sharing program agreement,  
3 including all costs or fees for mandatory insurance  
4 coverage charged by the peer-to-peer car-sharing  
5 program;

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

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

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



1 sharing program shall require the shared car owner  
2 and the shared car driver to specifically and  
3 separately acknowledge notice of the disclosure  
4 prior to execution of a car-sharing program  
5 agreement;

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

16 (7) Disclose that the peer-to-peer car-sharing program's  
17 insurance coverage on the shared car owner and the  
18 shared car driver is in effect only during each car-  
19 sharing period and that the shared car may not have  
20 insurance coverage for use of the shared car by the  
21 shared car driver after the car-sharing termination



1 time; provided that the peer-to-peer car-sharing  
2 program shall require the shared car owner and the  
3 shared car driver to specifically and separately  
4 acknowledge notice of the disclosure prior to the  
5 execution of a car-sharing program agreement;

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

14 (9) Disclose to the shared car driver any conditions in  
15 which the shared car driver is required to maintain  
16 a motor vehicle insurance policy as the primary  
17 coverage for the shared car; and

18 (10) Disclose that a shared car owner shall be permitted  
19 to obtain insurance that provides coverage for loss  
20 of use of a shared car."

21 SECTION 3. This Act shall take effect on July 1, 2050.



S.B. NO. 2444  
S.D. 1

**Report Title:**

Peer-to-Peer Car-Sharing; Insurance Requirements; Insurance Requirements

**Description:**

Establishes peer-to-peer car-sharing insurance requirements.  
Effective 7/1/2050. (SD1)

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