
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 are different from other rental car businesses
3 and do not have established requirements for insurance coverage.
4 These agreement-based car-sharing programs must ensure that cars
5 in 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 when the shared
18 car becomes subject to the control of the shared car driver
19 at or after the time the reservation of a shared car is
20 scheduled to begin, as documented in the records of a peer-
21 to-peer car-sharing program.



1 "Car-sharing termination time" means the earliest of the
2 following events:

3 (1) The expiration of the agreed upon period of time
4 established for the use of a shared car according to
5 the terms of the car-sharing program agreement if
6 the shared car is delivered to the location agreed
7 upon in the car-sharing program agreement;

8 (2) When the shared car is returned to a location as
9 alternatively agreed upon by the shared car owner
10 and shared car driver, as communicated through a
11 peer-to-peer car-sharing program;

12 (3) When a shared car is returned to the location agreed
13 upon in the car-sharing program agreement or
14 alternatively agreed upon by the shared car owner
15 and the shared car driver, as communicated through a
16 peer-to-peer car-sharing program, before the
17 expiration of the period of time established for the
18 use of a shared car according to the terms of the
19 car-sharing program agreement, and the shared car
20 driver notifies the peer-to-peer car-sharing program
21 of the location of the shared car;



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

9 (5) When the shared car owner or the shared car owner's
10 authorized designee takes possession and control of
11 the shared car.

12 "Peer-to-peer car-sharing" means the authorized
13 operation, use, or control of a motor vehicle by an
14 individual other than the motor vehicle's owner through a
15 peer-to-peer car-sharing program. For the purposes of
16 assessing a vehicle surcharge tax, "peer-to-peer car-sharing"
17 shall not mean the business of providing rental motor
18 vehicles to the public as that phrase is used in section
19 251-3. "Peer-to-peer car-sharing" does not mean the business
20 of a lessor as defined in section 437D-3.



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

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

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

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

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



1 (5) A "lessor" as that term is defined in section 437D-

2 3; or

3 (6) A "lessor" as that term is defined in section 251-1.

4 "Shared car" means a motor vehicle that is registered
5 pursuant to chapter 286; is not owned, controlled, operated,
6 maintained, or managed by or registered, directly or
7 indirectly through an affiliate, to the peer-to-peer car-
8 sharing program; and is available for sharing through a peer-
9 to-peer car-sharing program. "Shared car" does not include a
10 rental motor vehicle or vehicle as those terms are defined in
11 section 437D-3. "Shared car" does not mean a rental motor
12 vehicle as that term is used in section 251-2 and section
13 251-3.

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

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



1 § -2 Insurance coverage during car-sharing period.

2 (a) A peer-to-peer car-sharing program shall ensure that
3 during each car-sharing period, the shared car shall be
4 insured under a motor vehicle insurance policy issued by an
5 admitted carrier that provides:

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

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

16 (3) With respect to the motor vehicle insurance policies
17 required pursuant to this section, the carrier shall
18 offer the following optional coverages, which any
19 shared car driver may elect to reject or purchase,
20 that provides primary coverage for each shared car



1 available and used through a peer-to-peer car-
2 sharing program:

3 (A) Uninsured and underinsured motorist coverages
4 as provided in section 431:10C-301, which shall
5 be equal to the primary liability limits
6 specified in this section; provided that
7 uninsured and underinsured motorist coverage
8 offers shall also provide for written rejection
9 of the coverages as provided in section
10 431:10C-301;

11 (B) Uninsured and underinsured motorist coverage
12 stacking options as provided in section
13 431:10C-301; provided that the offer of the
14 stacking options shall also provide for written
15 rejection as provided in section 431:10C-301;
16 and

17 (C) An offer of required optional additional
18 insurance coverages as provided in section
19 431:10C-302.

20 (b) If the insurance maintained by a shared car owner or
21 shared car driver in accordance with subsection (a) has



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

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

11 **§ -3 Exclusions in motor vehicle insurance policies.**

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

17 (1) Liability coverage for bodily injury and property
18 damage;

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

21 (3) Uninsured and underinsured motorist coverage;



1 (4) Medical payments coverage;

2 (5) Comprehensive physical damage coverage; and

3 (6) Collision physical damage coverage.

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

9 **§ -4 Recordkeeping; use of vehicle in car-sharing.** A
10 peer-to-peer car-sharing program shall collect and verify
11 records pertaining to the use of a shared car for each car-
12 sharing program agreement, including:

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

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

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

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



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

3 (6) The name and contact information of the shared car
4 owner and the shared car driver; and

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

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



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

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

(c) A motor vehicle insurer that pays uninsured motorist benefits or underinsured motorist benefits for injury sustained by an occupant of a shared car when the obligation



1 to pay uninsured motorist benefits or underinsured motorist
2 benefits is excluded under the shared car owner's or shared
3 car driver's policy shall have the right to seek to recover
4 from the peer-to-peer car-sharing program or its motor
5 vehicle insurer if the injury occurs during the car-sharing
6 period.

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

15 **§ -6 Insurable interest.** (a) Notwithstanding any
16 other law or rule to the contrary, a peer-to-peer car-sharing
17 program shall have an insurable interest in a shared car
18 during the car-sharing period.

19 (b) In addition to the insurance coverage mandated by
20 section -2, a peer-to-peer car-sharing program may own and



1 maintain as the named insured one or more policies of motor
2 vehicle insurance that provides coverage for:

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

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

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

9 § -7 **Required disclosures and notices.** For each
10 shared car participating in a car-sharing program agreement,
11 a peer-to-peer car-sharing program shall:

12 (1) Provide, prior to the execution of a car-sharing
13 program agreement, the shared car owner and shared
14 car driver with the terms and conditions of the car-
15 sharing program agreement;

16 (2) Disclose to the shared car driver, prior to the
17 execution of a car-sharing program agreement, all
18 costs or fees that are charged to the shared car
19 driver under the car-sharing program agreement,
20 including all costs or fees for mandatory insurance



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

3 (3) Disclose to the shared car owner, prior to the
4 execution of a car-sharing program agreement, 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 the 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 the shared car driver to specifically and
21 separately acknowledge notice of the disclosure



1 prior to execution of a car-sharing program

2 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 the shared car driver to
10 specifically and separately acknowledge notice of
11 the disclosure prior to execution of a car-sharing
12 program agreement;

13 (7) Disclose that the peer-to-peer car-sharing program's
14 insurance coverage on the shared car owner and the
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 the
21 shared car driver to specifically and separately



1 acknowledge notice of the disclosure prior to 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 the
5 shared car driver; provided that the peer-to-peer
6 car-sharing program shall require the shared car
7 owner and the shared car driver to specifically and
8 separately acknowledge notice of the disclosure
9 prior to the execution of a car-sharing program
10 agreement;

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

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

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



Report Title:

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

Description:

Establishes peer-to-peer car-sharing insurance requirements.
Effective 7/1/2050. (SD2)

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

