

Honolulu, Hawaii

MAR 03 2023

RE: S.B. No. 1502
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1502, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require hourly peer-to-peer car sharing operators to insure shared cars with personal injury protection benefit and basic liability coverage;
- (2) Authorize the Department of Transportation to regulate peer-to-peer car sharing parking at state airports; and
- (3) Authorize the counties to regulate peer-to-peer car sharing parking on county streets.

Your Committee received testimony in support of this measure from GETAROUND, INC. and three individuals. Your Committee received testimony in opposition to this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs, Insurance Division of the Department of Commerce and Consumer Affairs, Hawaii Association for Justice, and Hawaii Insurers Council. Your Committee received comments on this measure from Turo.



Your Committee finds that peer-to-peer car sharing services (P2P car sharing) have grown in popularity across the State. Generally, under a P2P car sharing program, participating car owners are able to charge a fee to rent out their vehicles when they are not using them and participating renters can access nearby and affordable vehicles and pay only for the time they need to use them. Thus, while serving as an efficient alternative mode of transportation for many tourists and residents--especially in light of Hawaii's recent rental car crunch and the increasing cost of car ownership--the unique agreement-based nature of P2P car sharing programs exempt them from certain insurance requirements, placing the burden of risk on other insured drivers.

Your Committee finds that to address the problem of uninsured or underinsured P2P car sharing drivers, the Legislature enacted Act 56, Session Laws of Hawaii 2022 (Act 56). Under Act 56, P2P car sharing programs are required to ensure that during each car-sharing period, a shared car is insured under a policy that provides primary insurance coverage in amounts not less than \$750,000 for death, bodily injury, and property damage per accident, in addition to costs of defense. However, according to testimony received by your Committee, this has resulted in Hawaii requiring that all shared cars be insured at nearly nineteen times the State's minimum amounts for auto liability per accident. Therefore, this measure serves to ease the burden on hourly P2P car sharing participants and ensure affordable, accessible options for residents and visitors in the State.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1502, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1502, S.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



JARRETT KEOHOKALOLE, Chair



