

## HOUSE SUMMARY OF SENATE AMENDMENTS

HB 532

2020 Regular Session

Jordan

INSURANCE: Provides relative to Peer-to-Peer Car Sharing

### Synopsis of Senate Amendments

1. Adds a provision of law which clarifies that nothing in proposed law limits the applicability of state dealer franchise laws as set forth in present law.
2. Changes a phrase in the definition of "car sharing program agreement" in proposed law from automobile rental agreements as defined in present law to automobile rental contract as defined in present law.

### Digest of Bill as Finally Passed by Senate

Proposed law creates the Peer-to-Peer Car Sharing Program Act.

Proposed law defines the following terms for use in proposed law: "car sharing delivery period", "car sharing period", "car sharing program agreement", "car sharing start time", "car sharing termination time", "peer-to-peer car sharing", "peer-to-peer car sharing program", "shared vehicle", "shared vehicle driver", and "shared vehicle owner".

Proposed law requires a peer-to-peer car sharing program to assume liability of a shared vehicle owner, during the car sharing period, for bodily injury or property damage to others, in an amount not less than the state minimum policy limits pursuant to present law, except when:

- (1) A loss occurred during the car sharing period, but the shared vehicle owner intentionally misrepresents or omits material information before the car sharing period.
- (2) A shared vehicle owner acting with a driver does not return the shared vehicle as required by the car sharing program agreement.

The assumption of liability required by proposed law does apply to losses sustained by a third-party as required by present law.

Proposed law requires a peer-to-peer car sharing program to verify that both the driver and owner of the shared vehicle are covered during the car sharing period by a policy that at least meets the minimum limits required by present law.

Proposed law requires a peer-to-peer car sharing program to also verify that the policy either covers the use of the vehicle by a shared vehicle driver through a peer-to-peer car sharing program or does not exclude such use.

Proposed law requires the insurance set forth in proposed law to be primary during the car sharing period and authorizes the policy to be maintained by the shared vehicle owner, the shared vehicle driver, the peer-to-peer car sharing program, or any combination of those persons.

Proposed law requires the peer-to-peer car sharing program to assume primary liability for a claim when the program is providing all or part of the required coverage, there is dispute regarding who was in charge of the shared vehicle at the time of the loss, and the program does not have the information required to be collected and maintained pursuant to proposed law.

The shared vehicle's insurer is required by proposed law to indemnify the peer-to-peer car sharing program to the extent of any obligation under the policy if the owner was in control of the shared vehicle when the damage occurred.

Proposed law requires the peer-to-peer car sharing program's insurer to provide the required coverage if the owner or driver has lapsed insurance or insurance that does not meet the requirements. Proposed law requires the program's insurer to have the duty to defend subject to certain exceptions set forth in proposed law.

Proposed law provides that coverage by the peer-to-peer car sharing program's insurer does not depend on another insurer first denying a claim.

Proposed law requires a peer-to-peer car sharing program to notify a vehicle owner that if the vehicle is subject to a lien, participating in the program may violate the terms of the contract with the lienholder.

Proposed law requires the peer-to-peer car sharing program to collect, verify, and retain, for at least one year as prescribed by present law, certain records pertaining to the use of a shared vehicle and to provide those records to the shared vehicle owner, the owner's insurer, or the shared vehicle driver's insurer upon request.

Proposed law allows an insurer to seek contribution from the insurer of a peer-to-peer car sharing program if the shared vehicle was excluded from coverage by the insurer seeking contribution when certain requirements pursuant to proposed law are met.

Proposed law requires the peer-to-peer car sharing agreement to state certain consumer protection disclosures as provided in proposed law.

A peer-to-peer car sharing program is prohibited by proposed law from entering into a peer-to-peer car sharing agreement with a driver unless the driver is authorized to operate vehicles of the same class as the shared vehicle pursuant to the requirements set forth in proposed law.

When a vehicle owner registers on a peer-to-peer car sharing program, proposed law requires the peer-to-peer car sharing program to either verify that the shared vehicle has no pending safety recall repairs or notify the vehicle owner that they are required to repair the shared vehicle.

Proposed law does not limit any of the following:

- (1) The liability of a peer-to-peer car sharing program for any act or omission of the peer-to-peer car sharing program that results in injury to any person as a result of the use of a shared vehicle through a peer-to-peer car sharing program.
- (2) The ability of a peer-to-peer car sharing program to seek indemnification by contract from the shared vehicle owner or the shared vehicle driver for economic loss sustained by the peer-to-peer car sharing program resulting from a breach of the terms and conditions of the car sharing program agreement.
- (3) The applicability of the state dealer franchise provisions of present law.

Effective Jan. 1, 2021.

(Adds R.S. 22:1300.1-1300.13)