

2023 -- H 6233 SUBSTITUTE A

LC002726/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO INSURANCE -- PEER-TO-PEER CAR SHARING PROGRAM

Introduced By: Representatives Corvese, Kennedy, Azzinaro, and Costantino

Date Introduced: March 30, 2023

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 27-8.3 of the General Laws entitled "Peer-To-Peer Car Sharing  
2 Program [Effective April 1, 2023.]" is hereby repealed in its entirety.

3 ~~CHAPTER 27-8.3~~

4 ~~Peer To Peer Car Sharing Program [Effective April 1, 2023.]~~

5 ~~**27-8.3-1. Short title. [Effective April 1, 2023.]**~~

6 ~~This act shall be known and may be cited as the "Peer to Peer Car Sharing Program".~~

7 ~~**27-8.3-2. Applicability. [Effective April 1, 2023.]**~~

8 ~~The provisions of this chapter apply notwithstanding any law, rule, or regulation to the~~  
9 ~~contrary. Where any provision of this chapter conflicts with any other provision of law, the~~  
10 ~~provisions of this chapter shall supersede any such conflicting or contradictory provision.~~

11 ~~**27-8.3-3. Definitions. [Effective April 1, 2023.]**~~

12 ~~Except as otherwise provided, the following definitions apply throughout this chapter:~~

13 ~~(1) "Car sharing delivery period" means the period of time during which a shared vehicle~~  
14 ~~is being delivered to the location of the car sharing start time, if applicable, as documented by the~~  
15 ~~governing car sharing program agreement.~~

16 ~~(2) "Car sharing period" means the period of time that commences with the car sharing~~  
17 ~~delivery period or, if there is no car sharing delivery period, that commences with the car sharing~~  
18 ~~start time and in either case ends at the car sharing termination time.~~

19 ~~(3) "Car sharing program agreement" means the terms and conditions applicable to a shared~~

1 ~~vehicle owner and a shared vehicle driver that govern the use of a shared vehicle through a peer-~~  
2 ~~to peer car sharing program. “Car sharing program agreement” does not mean a rental car~~  
3 ~~agreement, issued by a motor vehicle rental company as defined in § 31-34.1-1.~~

4 ~~(4) “Car sharing start time” means the time when the shared vehicle becomes subject to the~~  
5 ~~control of the shared vehicle driver at or after the time the reservation of a shared vehicle is~~  
6 ~~scheduled to begin as documented in the records of a peer to peer car sharing program.~~

7 ~~(5) “Car sharing termination time” means the earliest of the following events:~~

8 ~~(i) The expiration of the agreed upon period of time established for the use of a shared~~  
9 ~~vehicle according to the terms of the car sharing program agreement if the shared vehicle is~~  
10 ~~delivered to the location agreed upon in the car sharing program agreement;~~

11 ~~(ii) When the shared vehicle is returned to a location as alternatively agreed upon by the~~  
12 ~~shared vehicle owner and shared vehicle driver as communicated through a peer to peer car sharing~~  
13 ~~program, which alternatively agreed upon location shall be incorporated into the car sharing~~  
14 ~~program agreement; or~~

15 ~~(iii) When the shared vehicle owner or the shared vehicle owner’s authorized designee,~~  
16 ~~takes possession and control of the shared vehicle.~~

17 ~~(6) “Peer to peer car sharing” means the authorized use of a vehicle by an individual other~~  
18 ~~than the vehicle’s owner through a peer to peer car sharing program. “Peer to peer car sharing”~~  
19 ~~does not mean rental car or rental activity as described in chapter 34.1 of title 31.~~

20 ~~(7) “Peer to peer car sharing program” means a business platform that connects vehicle~~  
21 ~~owners with drivers to enable the sharing of vehicles for financial consideration. “Peer to peer car~~  
22 ~~sharing program” does not mean a rental car company as defined in § 31-34.1-1.~~

23 ~~(8) “Shared vehicle” means a vehicle that is available for sharing through a peer to peer~~  
24 ~~car sharing program. “Shared vehicle” does not mean a rental car or rental vehicle as described in~~  
25 ~~§ 31-34.1-1(4).~~

26 ~~(9) “Shared vehicle driver” means an individual who has been authorized to drive the~~  
27 ~~shared vehicle by the shared vehicle owner under a car sharing program agreement.~~

28 ~~(10) “Shared vehicle owner” means the registered owner, or a person or entity designated~~  
29 ~~by the registered owner, of a vehicle made available for sharing to shared vehicle drivers through~~  
30 ~~a peer to peer car sharing program. Shared vehicle owner does not mean “rental company” as~~  
31 ~~defined in § 31-34.1-1(4).~~

32 **27-8.3-4. Insurance coverage during car sharing period. [Effective April 1, 2023.]**

33 ~~(a) A peer to peer car sharing program shall assume liability, except as provided in~~  
34 ~~subsection (b) of this section, of a shared vehicle owner for bodily injury or property damage to~~

1 ~~third parties or uninsured and underinsured motorist or personal injury protection losses during the~~  
2 ~~car sharing period in an amount stated in the peer to peer car sharing program agreement which~~  
3 ~~amount may not be less than those set forth in § 31-32-2.~~

4 ~~(b) Notwithstanding the definition of “car sharing termination time” as set forth in § 27-~~  
5 ~~8.3-3, the assumption of liability under subsection (a) of this section does not apply to any shared~~  
6 ~~vehicle owner when:~~

7 ~~(1) A shared vehicle owner makes an intentional or fraudulent material misrepresentation~~  
8 ~~or omission to the peer to peer car sharing program before the car sharing period in which the loss~~  
9 ~~occurred; or~~

10 ~~(2) Acting in concert with a shared vehicle driver who fails to return the shared vehicle~~  
11 ~~pursuant to the terms of a car sharing program agreement.~~

12 ~~(c) Notwithstanding the definition of “car sharing termination time” as set forth in § 27-~~  
13 ~~8.3-3, the assumption of liability under subsection (a) of this section would apply to bodily injury,~~  
14 ~~property damage, uninsured and underinsured motorist or personal injury protection losses by~~  
15 ~~damaged third parties required by § 31-32-2.~~

16 ~~(d) A peer to peer car sharing program shall ensure that, during each car sharing period,~~  
17 ~~the shared vehicle owner and the shared vehicle driver are insured under a motor vehicle liability~~  
18 ~~insurance policy that provides insurance coverage in amounts no less than the minimum amounts~~  
19 ~~set forth in § 31-32-2, and:~~

20 ~~(1) Recognizes that the shared vehicle insured under the policy is made available and used~~  
21 ~~through a peer to peer car sharing program; or~~

22 ~~(2) Does not exclude use of a shared vehicle by a shared vehicle driver.~~

23 ~~(e) The insurance described under subsection (d) of this section may be satisfied by motor~~  
24 ~~vehicle liability insurance maintained by:~~

25 ~~(1) A shared vehicle owner;~~

26 ~~(2) A shared vehicle driver;~~

27 ~~(3) A peer to peer car sharing program; or~~

28 ~~(4) Both a shared vehicle owner, a shared vehicle driver, and a peer to peer car sharing~~  
29 ~~program.~~

30 ~~(f) The insurance described in subsection (e) of this section that is satisfying the insurance~~  
31 ~~requirement of subsection (d) of this section shall be primary during each car sharing period and in~~  
32 ~~the event that a claim occurs in another state with minimum financial responsibility limits higher~~  
33 ~~than the limits contained in § 31-32-2, during the car sharing period, the coverage maintained under~~  
34 ~~subsection (e) of this section shall satisfy the difference in minimum coverage amounts, up to the~~

1 ~~applicable policy limits.~~

2 ~~(g) The insurer, insurers, or peer to peer car sharing program providing coverage under~~  
3 ~~subsection (d) or (e) of this section shall assume primary liability for a claim when:~~

4 ~~(1) A dispute exists as to who was in control of the shared motor vehicle at the time of the~~  
5 ~~loss and the peer to peer car sharing program does not have available, did not retain, or fails to~~  
6 ~~provide the information required by this section; or~~

7 ~~(2) A dispute exists as to whether the shared vehicle was returned to the alternatively agreed~~  
8 ~~upon location as required under § 27-8.3-3(5).~~

9 ~~(h) If insurance maintained by a shared vehicle owner or shared vehicle driver in~~  
10 ~~accordance with subsection (e) of this section has lapsed or does not provide the required coverage,~~  
11 ~~insurance maintained by a peer to peer car sharing program shall provide the coverage required by~~  
12 ~~subsection (d) of this section beginning with the first dollar of a claim and have the duty to defend~~  
13 ~~such claim except under circumstances as set forth in subsection (b) of this section.~~

14 ~~(i) Coverage under an automobile insurance policy maintained by the peer to peer car~~  
15 ~~sharing program shall not be dependent on another automobile insurer first denying a claim nor~~  
16 ~~shall another automobile insurance policy be required to first deny a claim.~~

17 ~~(j) Nothing in this chapter:~~

18 ~~(1) Limits the liability of the peer to peer car sharing program for any act or omission of~~  
19 ~~the peer to peer car sharing program itself that results in injury to any person as a result of the use~~  
20 ~~of a shared vehicle through a peer to peer car sharing program; or~~

21 ~~(2) Limits the ability of the peer to peer car sharing program to, by contract, seek~~  
22 ~~indemnification from the shared vehicle owner or the shared vehicle driver for economic loss~~  
23 ~~sustained by the peer to peer car sharing program resulting from a breach of the terms and~~  
24 ~~conditions of the car sharing program agreement.~~

25 ~~**27-8.3-5. Notification of implications of lien. [Effective April 1, 2023.]**~~

26 ~~At the time when a vehicle owner registers as a shared vehicle owner on a peer to peer car~~  
27 ~~sharing program and prior to the time when the shared vehicle owner makes a shared vehicle~~  
28 ~~available for car sharing on the peer to peer car sharing program, the peer to peer car sharing~~  
29 ~~program shall notify the shared vehicle owner that, if the shared vehicle has a lien against it, the~~  
30 ~~use of the shared vehicle through a peer to peer car sharing program, including use without physical~~  
31 ~~damage coverage, may violate the terms of the contract with the lienholder.~~

32 ~~**27-8.3-6. Exclusions in motor vehicle liability insurance policies. [Effective April 1,**~~  
33 ~~**2023.]**~~

34 ~~(a) An authorized insurer that writes motor vehicle liability insurance in this state may~~

1 ~~exclude any and all coverage and the duty to defend or indemnify for any claim afforded under a~~  
2 ~~shared vehicle owner's motor vehicle liability insurance policy, including, but not limited to:~~

3 ~~(1) Liability coverage for bodily injury and property damage;~~

4 ~~(2) Uninsured and underinsured motorist coverage;~~

5 ~~(3) Medical payments coverage;~~

6 ~~(4) Comprehensive physical damage coverage; and~~

7 ~~(5) Collision physical damage coverage.~~

8 ~~(b) Nothing in this chapter invalidates or limits an exclusion contained in a motor vehicle~~  
9 ~~liability insurance policy, including any insurance policy in use or approved for use that excludes~~  
10 ~~coverage for motor vehicles made available for rent, sharing, or hire or for any business use.~~

11 ~~(c) Nothing in this chapter invalidates, limits, or restricts an insurer's ability under existing~~  
12 ~~law to underwrite any insurance policy. Nothing in this chapter invalidates, limits, or restricts an~~  
13 ~~insurer's ability under existing law to cancel and non-renew policies.~~

14 ~~**27-8.3-7. Recordkeeping—Use of vehicle in car sharing. [Effective April 1, 2023.]**~~

15 ~~A peer-to-peer car sharing program shall collect and verify records pertaining to the use of~~  
16 ~~a vehicle, including, but not limited to, times used, car sharing period pick-up and drop-off locations,~~  
17 ~~fees paid by the shared vehicle driver, and revenues received by the shared vehicle owner and~~  
18 ~~provide that information upon request to the shared vehicle owner, the shared vehicle owner's~~  
19 ~~insurer, or the shared vehicle driver's insurer to facilitate a claim coverage investigation, settlement,~~  
20 ~~negotiation, or litigation. The peer-to-peer car sharing program shall retain the records for a time~~  
21 ~~period not less than four (4) years.~~

22 ~~**27-8.3-8. Exemptions. [Effective April 1, 2023.]**~~

23 ~~(a) Vicarious liability.—A peer-to-peer car sharing program and a shared vehicle owner~~  
24 ~~shall be exempt from vicarious liability consistent with 49 U.S.C. § 30106 and under any state or~~  
25 ~~local law that imposes liability solely based on vehicle ownership.~~

26 ~~(b) Rental vehicle surcharge.—The receipts of the peer-to-peer car sharing program and the~~  
27 ~~receipts of the shared vehicle owner from peer-to-peer car sharing shall be exempt from the eight~~  
28 ~~percent (8%) rental vehicle surcharge as set forth in § 31-34.1-2.~~

29 ~~**27-8.3-9. Contribution against indemnification. [Effective April 1, 2023.]**~~

30 ~~A motor vehicle insurer that defends or indemnifies a claim against a shared vehicle that is~~  
31 ~~excluded under the terms of its policy shall have the right to seek recovery against the motor vehicle~~  
32 ~~insurer of the peer-to-peer car sharing program if the claim is:~~

33 ~~(1) Made against the shared vehicle owner or the shared vehicle driver for loss or injury~~  
34 ~~that occurs during the car sharing period; and~~

1 ~~(2) Excluded under the terms of its policy.~~

2 ~~**27-8.3-10. Insurable interest. [Effective April 1, 2023.]**~~

3 ~~(a) Notwithstanding any other law, statute, rule, or regulation to the contrary, a peer to~~  
4 ~~peer car sharing program shall have an insurable interest in a shared vehicle during the car sharing~~  
5 ~~period.~~

6 ~~(b) Nothing in this section creates liability on a peer to peer car sharing program to~~  
7 ~~maintain the coverage mandated by § 27-8.3-4.~~

8 ~~(c) A peer to peer car sharing program may own and maintain as the named insured one or~~  
9 ~~more policies of motor vehicle liability insurance that provides coverage for:~~

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

12 ~~(2) Any liability of the shared vehicle owner; or~~

13 ~~(3) Damage or loss to the shared motor vehicle; or any liability of the shared vehicle driver.~~

14 ~~**27-8.3-11. Consumer protections disclosures. [Effective April 1, 2023.]**~~

15 ~~Each car sharing program agreement made in this state shall disclose to the shared vehicle~~  
16 ~~owner and the shared vehicle driver:~~

17 ~~(1) Any right of the peer to peer car sharing program to seek indemnification from the~~  
18 ~~shared vehicle owner or the shared vehicle driver for economic loss sustained by the peer to peer~~  
19 ~~car sharing program resulting from a breach of the terms and conditions of the car sharing program~~  
20 ~~agreement;~~

21 ~~(2) That a motor vehicle liability insurance policy issued to the shared vehicle owner for~~  
22 ~~the shared vehicle or to the shared vehicle driver does not provide a defense or indemnification for~~  
23 ~~any claim asserted by the peer to peer car sharing program;~~

24 ~~(3) That the peer to peer car sharing program's insurance coverage on the shared vehicle~~  
25 ~~owner and the shared vehicle driver is in effect only during each car sharing period and that, for~~  
26 ~~any use of the shared vehicle by the shared vehicle driver after the car sharing termination time, the~~  
27 ~~shared vehicle driver and the shared vehicle owner may not have insurance coverage;~~

28 ~~(4) The daily rate, fees, and if applicable, any insurance or protection package costs that~~  
29 ~~are charged to the shared vehicle owner or the shared vehicle driver;~~

30 ~~(5) That the shared vehicle owner's motor vehicle liability insurance may not provide~~  
31 ~~coverage for a shared vehicle;~~

32 ~~(6) An emergency telephone number to personnel capable of fielding roadside assistance~~  
33 ~~and other customer service inquiries; and~~

34 ~~(7) If there are conditions under which a shared vehicle driver must maintain a personal~~

1 ~~automobile insurance policy with certain applicable coverage limits on a primary basis in order to~~  
2 ~~book a shared motor vehicle.~~

3 ~~**27-8.3-12. Driver's license verification and data retention. [Effective April 1, 2023.]**~~

4 ~~(a) A peer to peer car sharing program may not enter into a peer to peer car sharing~~  
5 ~~program agreement with a driver unless the driver who will operate the shared vehicle:~~

6 ~~(1) Holds a driver's license issued under chapter 10 of title 31 that authorizes the driver to~~  
7 ~~operate vehicles of the class of the shared vehicle; or~~

8 ~~(2) Is a nonresident who:~~

9 ~~(i) Has a driver's license issued by the state or country of the driver's residence that~~  
10 ~~authorizes the driver in that state or country to drive vehicles of the class of the shared vehicle; and~~

11 ~~(ii) Is at least the same age as that required of a resident to drive; or~~

12 ~~(3) Otherwise is specifically authorized by § 31-10-2 to drive vehicles of the class of the~~  
13 ~~shared vehicle.~~

14 ~~(b) A peer to peer car sharing program shall keep a record of:~~

15 ~~(1) The name and address of the shared vehicle driver;~~

16 ~~(2) The number of the driver's license of the shared vehicle driver and each other person,~~  
17 ~~if any, who will operate the shared vehicle; and~~

18 ~~(3) The place of issuance of the driver's license.~~

19 ~~**27-8.3-13. Responsibility for equipment. [Effective April 1, 2023.]**~~

20 ~~A peer to peer car sharing program shall have sole responsibility for any equipment, such~~  
21 ~~as a GPS system or other special equipment that is put in or on the vehicle to monitor or facilitate~~  
22 ~~the car sharing transaction, and shall agree to indemnify and hold harmless the vehicle owner for~~  
23 ~~any damage to or theft of such equipment during the sharing period not caused by the vehicle~~  
24 ~~owner. The peer to peer car sharing program has the right to seek indemnity from the shared vehicle~~  
25 ~~driver for any loss or damage to such equipment that occurs during the sharing period.~~

26 ~~**27-8.3-14. Automobile safety recalls. [Effective April 1, 2023.]**~~

27 ~~(a) At the time when a vehicle owner registers as a shared vehicle owner on a peer to peer~~  
28 ~~car sharing program and prior to the time when the shared vehicle owner makes a shared vehicle~~  
29 ~~available for car sharing on the peer to peer car sharing program, the peer to peer car sharing~~  
30 ~~program shall:~~

31 ~~(1) Verify that the shared vehicle does not have any safety recalls on the vehicle for which~~  
32 ~~the repairs have not been made; and~~

33 ~~(2) Notify the shared vehicle owner of the requirements under subsection (b) of this section.~~

34 ~~(b)(1) If the shared vehicle owner has received an actual notice of a safety recall on the~~

1 ~~vehicle, a shared vehicle owner may not make a vehicle available as a shared vehicle on a peer to-~~  
2 ~~peer car sharing program until the safety recall repair has been made.~~

3 ~~(2) If a shared vehicle owner receives an actual notice of a safety recall on a shared vehicle~~  
4 ~~while the shared vehicle is made available on the peer to peer car sharing program, the shared~~  
5 ~~vehicle owner shall remove the shared vehicle as available on the peer to peer car sharing program,~~  
6 ~~as soon as practicably possible after receiving the notice of the safety recall and until the safety~~  
7 ~~recall repair has been made.~~

8 ~~(3) If a shared vehicle owner receives an actual notice of a safety recall while the shared~~  
9 ~~vehicle is being used in the possession of a shared vehicle driver, as soon as practicably possible~~  
10 ~~after receiving the notice of the safety recall, the shared vehicle owner shall notify the peer to peer~~  
11 ~~car sharing program about the safety recall in order that the shared vehicle owner may address the~~  
12 ~~safety recall repair.~~

13 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO INSURANCE -- PEER-TO-PEER CAR SHARING PROGRAM

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1           This act would repeal the provisions of chapter 8.3 of title 27, the "peer-to-peer car sharing  
2 program."

3           This act would take effect upon passage.

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