

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

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

Introduced By: Senators Pearson, McCaffrey, Ruggerio, Goodwin, and Gallo

Date Introduced: February 08, 2022

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 27 of the General Laws entitled "INSURANCE" is hereby amended by
2 adding thereto the following chapter:

3 CHAPTER 8.3

4 PEER-TO-PEER CAR SHARING PROGRAM

5 **27-8.3-1. Short title.**

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

7 **27-8.3-2. Applicability.**

8 The provisions of this chapter apply not withstanding 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.**

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 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.**

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 subsections (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 § 27-8.3-4; 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.**

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.**

33 (a) An authorized insurer that writes motor vehicle liability insurance in this state may
34 exclude any and all coverage and the duty to defend or indemnify for any claim afforded under a

1 shared vehicle owner's motor vehicle liability insurance policy, including, but not limited to:

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

3 (2) Uninsured and underinsured motorist coverage;

4 (3) Medical payments coverage;

5 (4) Comprehensive physical damage coverage; and

6 (5) Collision physical damage coverage.

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

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

13 **27-8.3-7. Recordkeeping -- Use of vehicle in car sharing.**

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

21 **27-8.3-8. Exemptions.**

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

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

28 **27-8.3-9. Contribution against indemnification.**

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

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

34 (2) Excluded under the terms of its policy.

1 **27-8.3-10. Insurable interest.**

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

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

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

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

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

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

13 **27-8.3-11. Consumer protections disclosures.**

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

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

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

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

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

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

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

33 (7) If there are conditions under which a shared vehicle driver must maintain a personal
34 automobile insurance policy with certain applicable coverage limits on a primary basis in order to

1 book a shared motor vehicle.

2 **27-8.3-12. Driver's license verification and data retention.**

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

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

7 (2) Is a nonresident who:

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

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

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

13 (b) A peer-to-peer car sharing program shall keep a record of:

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

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

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

18 **27-8.3-13. Responsibility for equipment.**

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

25 **27-8.3-14. Automobile safety recalls.**

26 (a) At the time when a vehicle owner registers as a shared vehicle owner on a peer-to-peer
27 car 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:

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

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

33 (b)(1) If the shared vehicle owner has received an actual notice of a safety recall on the
34 vehicle, a shared vehicle owner may not make a vehicle available as a shared vehicle on a peer-to-

1 peer car sharing program until the safety recall repair has been made.

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

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

12 SECTION 2. This act shall take effect on April 1, 2023.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

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

1 This act would authorize and regulate peer-to-peer car sharing programs whereby existing
2 car owners make their motor vehicles available for other individuals to use under a peer-to-peer
3 program. A program agreement would provide the terms and conditions governing use. The act
4 would also require that the shared vehicle be covered by insurance while in use by other individuals
5 as well as provisions relating to consumer protection disclosures, driver's license verification,
6 retention of various records and automobile safety recalls.

7 This act would take on April 1, 2023.

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