



House of Representatives

General Assembly

File No. 474

January Session, 2021

Substitute House Bill No. 6568

House of Representatives, April 15, 2021

The Committee on Transportation reported through REP. LEMAR of the 96th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING PEER-TO-PEER CAR SHARING PROGRAMS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective January 1, 2022*) For the purposes of this
2 section and sections 2 to 13, inclusive, of this act:

3 (1) "Peer-to-peer car sharing" means the authorized use of a shared
4 vehicle by a person other than the shared vehicle owner through a peer-
5 to-peer car sharing program.

6 (2) "Peer-to-peer car sharing program" or "program" means a business
7 entity that is engaged in the business of operating an online platform to
8 connect a shared vehicle owner with a shared vehicle driver to enable
9 peer-to-peer car sharing in this state. "Peer-to-peer car sharing program"
10 does not include a rental company, as defined in section 12-692 of the
11 general statutes.

12 (3) "Car sharing program agreement" means the terms and conditions
13 applicable to a shared vehicle owner and a shared vehicle driver that

14 govern the use of a shared vehicle.

15 (4) "Shared vehicle" means a vehicle that is available for sharing
16 through a peer-to-peer car sharing program. "Shared vehicle" does not
17 include a rental motor vehicle, as defined in section 14-15b of the general
18 statutes.

19 (5) "Shared vehicle driver" means a person authorized by the shared
20 vehicle owner to drive the shared vehicle under a car sharing program
21 agreement.

22 (6) "Shared vehicle owner" means the registered owner, or a person
23 or entity designated by the registered owner, of a vehicle made available
24 to shared vehicle drivers through a peer-to-peer car sharing program.

25 (7) "Car sharing delivery period" means the period of time during
26 which a shared vehicle is being delivered to the location of the car
27 sharing start time, if applicable, as documented by the car sharing
28 program agreement.

29 (8) "Car sharing period" means the period of time that commences
30 with the car sharing delivery period or, if there is no car sharing delivery
31 period, that commences with the car sharing start time, and ends at the
32 car sharing termination time.

33 (9) "Car sharing start time" means the time when a shared vehicle
34 driver takes possession and control of the shared vehicle at or after the
35 time the reservation of a shared vehicle is scheduled to begin pursuant
36 to a car sharing program agreement.

37 (10) "Car sharing termination time" means the earliest of the
38 following events:

39 (A) The expiration of the agreed upon period of time established for
40 the use of a shared vehicle according to the terms of the car sharing
41 program agreement if the shared vehicle is delivered to the location
42 agreed upon in such agreement;

43 (B) When the shared vehicle is returned to a location as alternatively
44 agreed upon by the shared vehicle owner and shared vehicle driver as
45 communicated through a peer-to-peer car sharing program and
46 incorporated into the car sharing program agreement; or

47 (C) When the shared vehicle owner or the shared vehicle owner's
48 authorized designee takes possession and control of the shared vehicle.

49 Sec. 2. (NEW) (*Effective January 1, 2022*) (a) Except as provided in
50 subsection (b) of this section, a peer-to-peer car sharing program shall
51 assume liability of a shared vehicle owner for bodily injury or property
52 damage to third parties, or uninsured and underinsured motorist or
53 personal injury protection losses, during the car sharing period in an
54 amount stated in the peer-to-peer car sharing program agreement, but
55 not less than the minimum amounts provided in regulations adopted
56 pursuant to section 38a-334 of the general statutes.

57 (b) The assumption of liability under subsection (a) of this section
58 shall not apply to any shared vehicle owner when: (1) A shared vehicle
59 owner makes an intentional or fraudulent material misrepresentation or
60 omission to the peer-to-peer car sharing program before the car sharing
61 period in which the loss occurred; or (2) a shared vehicle owner acts in
62 concert with a shared vehicle driver who fails to return the shared
63 vehicle pursuant to the car sharing program agreement.

64 (c) Notwithstanding the definition of "car sharing termination time"
65 provided in section 1 of this act, the assumption of liability under
66 subsection (a) of this section shall apply to bodily injury, property
67 damage, uninsured and underinsured motorist or personal injury
68 protection losses by damaged third parties as required by section 38a-
69 334 of the general statutes.

70 (d) A peer-to-peer car sharing program shall ensure that, during each
71 car sharing period, the shared vehicle owner and the shared vehicle
72 driver are insured under an automobile liability insurance policy that:
73 (1) Provides insurance coverage in amounts not less than the minimum
74 amounts set forth in regulations adopted pursuant to section 38a-334 of

75 the general statutes; and (2) (A) recognizes that the shared vehicle
76 insured under the policy is made available and used through a peer-to-
77 peer car sharing program; or (B) does not exclude the use of a shared
78 vehicle by a shared vehicle driver.

79 (e) The coverage requirements of subsection (d) may be satisfied by
80 an automobile liability insurance maintained by: (1) A shared vehicle
81 owner; (2) a shared vehicle driver; (3) a peer-to-peer car sharing
82 program; or (4) a shared vehicle owner, a shared vehicle driver and a
83 peer-to-peer car sharing program.

84 (f) The automobile liability insurance required pursuant to subsection
85 (d) of this section and maintained pursuant to subsection (e) of this
86 section shall assume primary liability for a claim:

87 (1) During each car sharing period;

88 (2) When a dispute exists as to who was in control of the shared
89 vehicle at the time of the loss and the peer-to-peer car sharing program
90 does not have available, did not retain or fails to provide the information
91 required by section 5 of this act that relates to the claim; or

92 (3) When a dispute exists as to whether the shared vehicle was
93 returned to the alternatively agreed upon location incorporated into the
94 car sharing program agreement.

95 (g) In the event that a claim occurs in another state that requires
96 minimum amounts to be included in automobile liability insurance
97 policies that are higher than the minimum amounts set forth in
98 regulations adopted pursuant to section 38a-334 of the general statutes
99 during the car sharing period, the coverage maintained pursuant to
100 subsection (e) of this section shall satisfy the difference in minimum
101 amounts up to the applicable policy limits.

102 (h) If an automobile liability insurance policy maintained by a shared
103 vehicle owner or shared vehicle driver has lapsed or does not provide
104 the coverage required pursuant to subsection (d) of this section, the
105 peer-to-peer car sharing program's automobile liability insurance policy

106 shall provide such coverage, beginning with the first dollar of a claim,
107 and the insurance company issuing such policy shall have the duty to
108 defend a claim except under circumstances as set forth in subsection (b)
109 of this section.

110 (i) Coverage under an automobile insurance policy maintained by the
111 peer-to-peer car sharing program shall not be contingent on another
112 automobile insurance company first denying a claim, nor such other
113 insurance company be required to first deny a claim.

114 (j) Nothing in this section shall:

115 (1) Limit the liability of the peer-to-peer car sharing program for any
116 act or omission of the program that results in bodily injury to any person
117 as a result of the use of a shared vehicle through a program; or

118 (2) Limit the ability of the peer-to-peer car sharing program to
119 contract for indemnification from the shared vehicle owner or the
120 shared vehicle driver for economic loss sustained by the program
121 resulting from a breach of the terms and conditions of the car sharing
122 program agreement.

123 Sec. 3. (NEW) (*Effective January 1, 2022*) When a vehicle owner
124 registers as a shared vehicle owner with a peer-to-peer car sharing
125 program but before the shared vehicle is made available for peer-to-peer
126 car sharing, the peer-to-peer car sharing program shall notify the shared
127 vehicle owner that, if the shared vehicle has a lien against it, the use of
128 the shared vehicle through a peer-to-peer car sharing program,
129 including use without physical damage coverage, may violate the terms
130 of the contract with the lienholder.

131 Sec. 4. (NEW) (*Effective January 1, 2022*) (a) An insurance company
132 that offers automobile liability insurance coverage in this state may offer
133 automobile liability insurance policies to individuals that exclude any
134 or all coverage and the duty to defend or indemnify any claim afforded
135 under a shared vehicle owner's automobile liability insurance policy.
136 Such exclusions may include, but are not limited to: (1) Liability

137 coverage for bodily injury and property damage; (2) personal injury
138 protection coverage; (3) uninsured and underinsured motorist coverage;
139 (4) medical payments coverage; (5) comprehensive physical damage
140 coverage; or (6) collision physical damage coverage.

141 (b) Nothing in this section shall be construed to: (1) Invalidate or limit
142 an exclusion contained in an automobile liability insurance policy,
143 including any insurance policy that excludes coverage for motor
144 vehicles made available for rent, sharing, hire or business use, or (2)
145 invalidate, limit or restrict an insurance company that offers automobile
146 liability insurance coverage to underwrite, cancel or not renew any
147 insurance policy.

148 Sec. 5. (NEW) (*Effective January 1, 2022*) A peer-to-peer car sharing
149 program shall collect and verify records pertaining to the use of a shared
150 vehicle, including, but not limited to, the times used, location of the car
151 sharing start time and car sharing termination time, car sharing period
152 fees paid by the shared vehicle driver and revenues received by the
153 shared vehicle owner. The program shall provide such records: (1) Upon
154 request to the shared vehicle owner, the shared vehicle owner's
155 insurance company or the shared vehicle driver's insurance company to
156 facilitate a claim coverage investigation, settlement, negotiation or
157 litigation, or (2) as required by an agreement entered into pursuant to
158 section 13 of this act. The program shall retain the records for a time
159 period not less than the applicable personal injury statute of limitations.

160 Sec. 6. (NEW) (*Effective January 1, 2022*) A peer-to-peer car sharing
161 program and a shared vehicle owner shall be exempt from vicarious
162 liability in accordance with 49 USC 30106, as amended from time to
163 time, and under any state law or municipal ordinance that imposes
164 liability solely based on vehicle ownership.

165 Sec. 7. (NEW) (*Effective January 1, 2022*) An insurance company that
166 defends or indemnifies a claim against a shared vehicle that is excluded
167 under the terms of its automobile liability insurance policy shall have a
168 right to seek recovery against the insurance company of the peer-to-peer
169 car sharing program if the claim is: (1) Made against the shared vehicle

170 owner or the shared vehicle driver for loss or injury that occurs during
171 the car sharing period; and (2) excluded under the terms of its policy.

172 Sec. 8. (NEW) (*Effective January 1, 2022*) (a) A peer-to-peer car sharing
173 program shall have an insurable interest in a shared vehicle during the
174 car sharing period. Nothing in this subsection shall create liability for a
175 peer-to-peer car sharing program for failure to maintain the insurance
176 coverage required pursuant to section 2 of this act.

177 (b) A peer-to-peer car sharing program may own and maintain, as the
178 named insured, one or more policies of automobile liability insurance
179 that provides coverage for: (1) Liability assumed by the peer-to-peer car
180 sharing program under a car sharing program agreement; (2) any
181 liability of the shared vehicle owner; (3) damage or loss to the shared
182 vehicle; or (4) any liability of the shared vehicle driver.

183 Sec. 9. (NEW) (*Effective January 1, 2022*) Each car sharing program
184 agreement shall, at a minimum, disclose to the shared vehicle owner and
185 the shared vehicle driver:

186 (1) Any right of the peer-to-peer car sharing program to seek
187 indemnification from the shared vehicle owner or the shared vehicle
188 driver for economic loss sustained by the program resulting from a
189 breach of the terms and conditions of the car sharing program
190 agreement;

191 (2) That an automobile liability insurance policy issued to the shared
192 vehicle owner for the shared vehicle or to the shared vehicle driver does
193 not provide a defense or indemnification for any claim asserted by the
194 peer-to-peer car sharing program;

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

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

204 (5) That the shared vehicle owner's automobile liability insurance
205 may not provide coverage for a shared vehicle;

206 (6) An emergency telephone number to personnel capable of
207 answering calls for roadside assistance and other customer service
208 inquiries; and

209 (7) If there are conditions under which a shared vehicle driver shall
210 maintain a personal automobile insurance policy with certain applicable
211 coverage limits on a primary basis to book a shared vehicle.

212 Sec. 10. (NEW) (*Effective January 1, 2022*) (a) A peer-to-peer car sharing
213 program may not enter into a car sharing program agreement with a
214 shared vehicle driver unless the shared vehicle driver holds an
215 operator's license, as defined in section 14-1 of the general statutes, that
216 authorizes the driver to operate a motor vehicle of the same class as the
217 shared vehicle.

218 (b) A peer-to-peer car sharing program shall keep a record of: (1) The
219 name and address of the shared vehicle driver; (2) the number of the
220 operator's license of each shared vehicle driver; and (3) the place of
221 issuance of the operator's license.

222 Sec. 11. (NEW) (*Effective January 1, 2022*) A peer-to-peer car sharing
223 program is responsible for any equipment, such as a global positioning
224 system, that is put in or on the shared vehicle to monitor or facilitate the
225 car sharing transaction. The program shall indemnify and hold harmless
226 the shared vehicle owner for any damage to or theft of such equipment
227 during the sharing period, unless caused by the vehicle owner. The
228 peer-to-peer car sharing program has the right to seek indemnification
229 from the shared vehicle driver for any loss or damage to such equipment
230 that occurs during the sharing period.

231 Sec. 12. (NEW) (*Effective January 1, 2022*) (a) When a shared vehicle

232 owner registers a shared vehicle with a peer-to-peer car sharing
 233 program but before the shared vehicle is available for peer-to-peer car
 234 sharing, the program shall: (1) Verify that the shared vehicle is not
 235 subject to a safety recall for which the repairs have not been made; and
 236 (2) notify the shared vehicle owner of the requirements under
 237 subsection (b) of this section.

238 (b) (1) If a shared vehicle owner received an actual notice of a safety
 239 recall for the shared vehicle, the shared vehicle owner shall not make
 240 the shared vehicle available with a peer-to-peer car sharing program
 241 until the safety recall repair has been made.

242 (2) If a shared vehicle owner receives an actual notice of a safety recall
 243 for a shared vehicle while the shared vehicle is made available on the
 244 peer-to-peer car sharing program, the shared vehicle owner shall
 245 remove the shared vehicle's availability with the program as soon as
 246 practicable after receiving such notice and until the safety recall repair
 247 has been made.

248 (3) If a shared vehicle owner receives an actual notice of a safety recall
 249 for a shared vehicle during the sharing period, the shared vehicle owner
 250 shall notify both the shared vehicle driver and the peer-to-peer car
 251 sharing program of the safety recall as soon as practicable.

252 Sec. 13. (NEW) (*Effective January 1, 2022*) A peer-to-peer car sharing
 253 program shall not permit the operation of peer-to-peer car sharing at
 254 Bradley International Airport unless such program enters into an
 255 agreement with the Connecticut Airport Authority, established
 256 pursuant to section 15-120bb of the general statutes. The Connecticut
 257 Airport Authority may charge and collect a reasonable fee from any
 258 such program for the privilege of operating peer-to-peer car sharing at
 259 such airport.

This act shall take effect as follows and shall amend the following sections:		
Section 1	January 1, 2022	New section

Sec. 2	<i>January 1, 2022</i>	New section
Sec. 3	<i>January 1, 2022</i>	New section
Sec. 4	<i>January 1, 2022</i>	New section
Sec. 5	<i>January 1, 2022</i>	New section
Sec. 6	<i>January 1, 2022</i>	New section
Sec. 7	<i>January 1, 2022</i>	New section
Sec. 8	<i>January 1, 2022</i>	New section
Sec. 9	<i>January 1, 2022</i>	New section
Sec. 10	<i>January 1, 2022</i>	New section
Sec. 11	<i>January 1, 2022</i>	New section
Sec. 12	<i>January 1, 2022</i>	New section
Sec. 13	<i>January 1, 2022</i>	New section

TRA *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
CT Airport Authority	Bradley International Airport Fund - Potential Revenue Gain	See Below	See Below

Municipal Impact: None

Explanation

The bill allows the Connecticut Airport Authority to collect fees from peer-to-peer car sharing programs operating at Bradley International Airport and results in a potential revenue gain to the authority. The level of revenue gain is dependent on 1) the number of programs that will operate at Bradley and 2) the terms of the agreements.

Other sections of the bill concern insurance requirements for private businesses, are technical in nature, or otherwise do not have a fiscal impact to the state.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis

sHB 6568

AN ACT CONCERNING PEER-TO-PEER CAR SHARING PROGRAMS.

SUMMARY

This bill imposes regulatory requirements on peer-to-peer (P2P) car sharing programs (e.g., Turo and Getaround), which provide internet platforms through which individuals share their vehicles with other people in return for payment.

The bill establishes insurance requirements for P2P car sharing, including requiring P2P car sharing programs to:

1. ensure that vehicle owners and drivers participating in P2P car sharing are covered under a primary insurance policy that meets minimum requirements and recognizes that the vehicle is shared through a P2P program and
2. provide coverage for claims if a vehicle owner's or driver's policy has lapsed.

The bill establishes certain consumer protections, including (1) requiring shared vehicle owners to repair their vehicles when they receive safety recall notices and (2) requiring P2P companies to disclose certain information to shared vehicle owners and drivers. It also addresses liens, vicarious liability, driver's license verification, and responsibility for equipment.

Under the bill, a P2P car sharing program is prohibited from allowing P2P car sharing at Bradley International Airport unless it enters into an agreement with the Connecticut Airport Authority (CAA). CAA may charge and collect reasonable fees from a P2P program for the privilege of operating P2P car sharing at the airport (§13).

EFFECTIVE DATE: January 1, 2022

§ 1 — P2P CAR SHARING DEFINITIONS

P2P Car Sharing

The bill defines P2P car sharing as the authorized use of a “shared vehicle” by a person other than the “shared vehicle owner” through a P2P car sharing program.

A “P2P car sharing program” is a business entity that operates an online platform to connect a shared vehicle owner with a shared vehicle driver to enable peer-to-peer car sharing in Connecticut. P2P car sharing programs do not include rental companies (i.e., business entities that rent passenger motor vehicles, rental trucks without a driver, or machinery and that use, for rental purposes, a motor vehicle fleet of five or more vehicles (CGS § 12-692)).

Shared Vehicles

Under the bill, a “shared vehicle” is a vehicle that is available for sharing through a P2P car sharing program. It does not include a rental motor vehicle.

A “shared vehicle owner” is the shared vehicle’s registered owner, or a person or entity the registered owner designates. A “shared vehicle driver” is a person authorized by the shared vehicle owner to drive the shared vehicle under a car sharing program agreement.

Car Sharing Program Agreements

The bill defines “car sharing program agreement” as the terms and conditions applicable to a shared vehicle owner and a shared vehicle driver governing a shared vehicle’s use. The bill also defines the following, which are related to terms and conditions included in agreements:

1. "car sharing period," which is the time period that begins with the “car sharing delivery period” or, if there is no such period, with the “car sharing start time,” and ends at the “car sharing termination time”;

2. "car sharing delivery period," which is the time period during which a shared vehicle is being delivered to the location of the "car sharing start time," if applicable, as documented by the car sharing program agreement; and
3. "car sharing start time" which is the time when a shared vehicle driver takes possession and control of the shared vehicle at or after the time the shared vehicle reservation is scheduled to begin under a car sharing program agreement.

Under the bill, the "car sharing termination time" is whenever one of the following events occurs:

1. the time period established under a car sharing program for using a shared vehicle expires, if the shared vehicle is delivered to the location agreed upon in the agreement;
2. the shared vehicle is returned to a location the shared vehicle owner and shared vehicle driver alternatively agree on as communicated through a peer-to-peer car sharing program and incorporated into the car sharing program agreement; or
3. the shared vehicle owner or the shared vehicle owner's authorized designee takes possession and control of the shared vehicle.

§§ 2, 4, 5, 7 & 8 — INSURANCE PROVISIONS

Assumption of Liability (§ 2(a)-(c))

The bill requires P2P car sharing programs to assume a shared vehicle owner's liability for bodily injury or property damage to third parties, or uninsured or underinsured motorist or personal injury protection losses, during the car sharing period in the amount stated in the car sharing agreement. It must be for at least as much as the minimum amounts set forth in regulations on the minimum provisions that must be included in auto insurance policies. These regulations currently incorporate the minimum amounts in CGS §14-112(a)(see BACKGROUND).

However, the bill exempts P2P car sharing programs from assuming this liability when a shared vehicle owner (1) makes an intentional or fraudulent material misrepresentation or omission to the program before the car sharing period in which the loss occurred or (2) acts in concert with a shared vehicle driver who fails to return the shared vehicle pursuant to the car sharing program agreement.

This assumption of liability applies to bodily injury, property damage, uninsured and underinsured motorist or personal injury protection losses by damaged third parties as required by the state's auto insurance coverage requirements. Under the bill, the state's requirements supersede provisions in the bill establishing when the car sharing period (and thus, the obligation for the program to assume liability) ends.

Required Coverage (§ 2 (d), (e), (g) & (i))

The bill requires P2P car sharing programs to ensure that, during each car sharing period, the shared vehicle owner and the shared vehicle driver are insured under an auto insurance policy that:

1. provides insurance coverage in amounts set forth in regulations on the minimum provisions that must be included in auto insurance policies, and
2. either (a) recognizes that the shared vehicle insured under the policy is made available and used through a P2P car sharing program or (b) does not exclude the use of a shared vehicle by a shared vehicle driver.

The required insurance coverage may be maintained by a shared vehicle owner, a shared vehicle driver, a P2P car sharing program, or all three.

If a claim occurs in another state that requires higher minimum auto insurance coverage than Connecticut does, the insurance policy must satisfy the difference in minimum amounts up to the applicable policy limits.

The bill prohibits coverage under the P2P car sharing program's auto insurance policy from being contingent on, or requiring that, another auto insurance company first denying a claim.

Primary Liability (§ 2(f))

The insurance required under the bill must assume primary liability for a claim:

1. during each car sharing period;
2. when there is a dispute over who controlled the shared vehicle at the time of loss and the P2P car sharing program did not retain or fails to provide records on the vehicle's use (see below); or
3. when there is a dispute over whether the shared vehicle was returned to the alternatively agreed upon location that was incorporated into the car sharing agreement.

Lapsed Policies (§ 2(h))

If a shared vehicle owner's or shared vehicle driver's auto insurance policy has lapsed or does not provide the required coverage, the bill requires that the P2P car sharing program's policy provide the coverage from the first dollar of the claim. The insurance company issuing the P2P car sharing program's policy has the duty to defend a claim, except under certain circumstances (see "assumption of liability," above).

Other Provisions (§ 2(j))

The bill provides that nothing in its insurance provisions limits the P2P car sharing program's:

1. liability for any act or omission that results in bodily injury to any person as a result of using a shared vehicle through a program or
2. ability to contract for indemnification from the shared vehicle owner or the shared vehicle driver for economic loss the program sustains due to a breach of the car sharing program agreement's terms and conditions.

Insurable Interest (§ 8)

Under the bill, a P2P car sharing program has an insurable interest in the shared vehicle during the car sharing period. However, the bill specifies that this provision does not make the P2P car sharing program liable for failure to maintain the bill's required coverage.

A P2P car sharing program may own and maintain, as the named insured, one or more automobile liability insurance policies that covers (1) liability assumed by the P2P car sharing program under a car sharing program agreement, (2) any liability of the shared vehicle owner, (3) damage or loss to the shared vehicle, or (4) any liability of the shared vehicle driver.

Exclusions of P2P Car Sharing in Auto Policies (§ 4)

The bill explicitly allows insurance companies offering auto insurance policies in the state to offer policies that exclude any or all coverage and the duty to defend or indemnify any claim afforded under a shared vehicle owner's liability insurance policy. The exclusions may include (1) liability coverage for bodily injury and property damage, (2) personal injury protection coverage, (3) uninsured and underinsured motorist coverage, (4) medical payments coverage, (5) comprehensive physical damage coverage, or (6) collision physical damage coverage.

The bill specifies that nothing in the provision allowing these exclusions (1) invalidates or limits an exclusion in an auto liability insurance policy, including any policy that excludes coverage for motor vehicles made available for rent, sharing, hire or business use, or (2) invalidates, limits, or restricts an insurance company that offers automobile liability insurance coverage to underwrite, cancel, or not renew an insurance policy.

Right to Seek Recovery (§ 7)

Under the bill, an insurance company that defends or indemnifies a claim against a shared vehicle owner that is excluded under the terms of its auto insurance policy has the right to seek recovery against the P2P car sharing program's insurance company if the claim is (1) made

against the shared vehicle owner or shared vehicle driver for loss or injury that occurs during the car sharing period and (2) excluded under the policy's terms.

Records (§ 5)

The bill requires P2P car sharing programs to collect and verify records pertaining to a shared vehicle's use, including (1) the times used, (2) location of the car sharing start time and car sharing termination time, (3) car sharing period fees paid by the shared vehicle driver, and (4) revenue received by the shared vehicle owner. The program must retain the records for a time period not less than the applicable personal injury statute of limitations (i.e., two years from the date when the injury is first sustained or discovered or in the exercise of reasonable care should have been discovered (CGS § 52-584)).

P2P car sharing programs must provide these records:

1. upon request to the shared vehicle owner, the shared vehicle owner's insurance company, or the shared vehicle driver's insurance company to facilitate a claim coverage investigation, settlement, negotiation, or litigation or
2. as required under an agreement with the CAA for airport access.

§ 3 — NOTICE REGARDING LIENS

The bill requires P2P car sharing programs to notify shared vehicle owners that, if the shared vehicle has a lien against it, the use of a shared vehicle through a P2P car sharing program (including without physical damage coverage) may violate the terms of a contract with the lien holder. The program must provide this notice when the vehicle owner registers with the P2P car sharing program as a shared vehicle owner but before the shared vehicle is made available for P2P car sharing.

§ 6 — VICARIOUS LIABILITY

The bill exempts P2P car sharing programs and shared vehicle owners from vicarious liability, in accordance with the federal Graves Amendment (see BACKGROUND), under any state law or municipal

ordinance that imposes liability solely based on vehicle ownership.

§ 9 — REQUIRED DISCLOSURES

The bill requires that car sharing program agreements, at a minimum, disclose the following to a shared vehicle owner and shared vehicle driver:

1. the P2P car sharing program's right to seek indemnification from the shared vehicle owner or the shared vehicle driver for any economic loss it sustains from a breach of the car sharing program agreement's terms and conditions;
2. that the shared vehicle owner's auto insurance policy for the shared vehicle or the shared vehicle driver's auto policy does not provide a defense or indemnification for any claim asserted by the P2P car sharing program;
3. that the P2P car sharing program's insurance coverage on the shared vehicle owner and the shared vehicle driver is in effect only during the car sharing period and that, if the shared vehicle driver uses the shared vehicle after the car sharing termination time, the shared vehicle driver and the shared vehicle owner may not have insurance coverage;
4. the daily rate, fees and, if applicable, any insurance or protection package costs that are charged to the shared vehicle owner or the shared vehicle driver;
5. that the shared vehicle owner's auto insurance may not provide coverage for a shared vehicle;
6. an emergency telephone number to personnel capable of answering calls for roadside assistance and other customer service inquiries; and
7. if there are conditions under which a shared vehicle driver must maintain an auto insurance policy with certain applicable coverage limits on a primary basis to book a shared vehicle.

§ 10 — DRIVER'S LICENSE VERIFICATION

The bill prohibits P2P car sharing programs from entering into a car sharing program agreement with a shared vehicle driver unless the driver holds a driver's license authorizing him or her to operate a vehicle of the same class as the shared vehicle. P2P companies must keep a record of the shared vehicle driver's name, address, and driver's license number and place of issuance.

§ 11 — RESPONSIBILITY FOR EQUIPMENT

Under the bill, a P2P company is responsible for any equipment (e.g., GPS systems) that is put in or on the shared vehicle to monitor or facilitate the car sharing transaction. The program must indemnify and hold harmless shared vehicle owners for any equipment damage or theft during the car sharing period, unless the owner caused it. The P2P program has the right to seek indemnification from the shared vehicle driver for any equipment loss or damage that occurs during the car sharing period.

§ 12 — RECALLS

The bill requires shared vehicle owners, when they receive notice of a safety recall for their shared vehicle, to get the required repairs made before making the vehicle available with a P2P car sharing program. If the shared vehicle is made available on a P2P car sharing program when a shared vehicle owner receives a recall notice, he or she must remove the vehicle from the platform as soon as possible and keep it off until repairs are made. If the shared vehicle owner receives a recall notice during the sharing period, the owner must notify both the P2P car sharing program and the shared vehicle driver.

The bill requires P2P car sharing programs to (1) verify that a shared vehicle is not subject to a safety recall for which repairs have not been made and (2) notify shared vehicle owners of their obligations related to recalls. The program must do this when the shared vehicle owner registers a shared vehicle with the program but before the shared vehicle is available for P2P car sharing.

BACKGROUND

Minimum Auto Insurance Requirements

Connecticut law requires a driver to maintain a minimum amount of auto insurance, including liability and uninsured and underinsured motorist (UI/UM) coverage. The law requires minimum coverage of \$25,000 per person and \$50,000 per accident for bodily injury and \$25,000 per accident for property damage (CGS §§ 38a-335 and 14-112(a)). UI/UM coverage covers bodily injury to the vehicle owner, relatives living with the owner, and passengers injured in an accident caused by (1) an uninsured driver, (2) a driver whose bodily injury liability limits are insufficient, or (3) a hit-and-run driver. The law requires at least \$25,000 per person and \$50,000 per accident (CGS § 38a-336).

Federal Graves Amendment

The Graves Amendment (49 U.S.C. § 30106) protects car rental companies from vicarious liability claims by providing that a rental company cannot be held liable under state law for damages or injuries that occur during the rental period simply because the company owns the vehicle. The amendment does not protect companies from negligence or criminal wrongdoing. (A Connecticut law making companies liable for such damages (CGS § 14-154a) is preempted by the Graves Amendment.)

COMMITTEE ACTION

Transportation Committee

Joint Favorable Substitute

Yea 35 Nay 0 (03/26/2021)