



Statement of
The Insurance Association of Connecticut
and
The American Property Casualty Insurance Association
Transportation Committee

HB 6568, An Act Concerning Concerning Peer-to-Peer Car Sharing Programs

March 8, 2021

The Insurance Association of Connecticut (IAC) and the American Property Casualty Insurance Association (APCIA)¹ appreciate the opportunity to comment on HB 6568, An Act Concerning Peer-To-Peer Car Sharing Programs.

This bill would regulate peer-to-peer car sharing and is based off the National Conference of Insurance Legislators (NCOIL) model act of 2019. Since the 2019 NCOIL model

¹ Effective January 1, 2019, the American Insurance Association (AIA) and the Property Casualty Insurers Association of America (PCIAA) merged to form the APCIA. Representing nearly 60 percent of the U.S. property casualty insurance market, APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. APCIA members represent all sizes, structures, and regions, which protect families, communities, and businesses in the U.S. and across the globe.

The IAC is a state-based trade association that represents Connecticut's property and casualty insurance industry and Connecticut's life insurance and financial security industries. Among other insurance-related products, IAC members offer (i) home insurance, (ii) auto insurance, (iii) workers' compensation insurance, (iv) liability insurance, (v) group benefits, (vi) life insurance, (vii) annuities, (viii) retirement plans, (ix) long-term care insurance, (x) disability income insurance, and (xi) reinsurance.

act was approved, updates have been developed and agreed to by the interested parties. APCIA would urge the committee to amend this bill to incorporate these updates.

Peer-to-peer car sharing provides convenient, affordable, and environmentally friendly on-demand access to vehicles for those who do not own cars or for whom car ownership is cost prohibitive. It allows individuals to access a new solution to long standing mobility needs, while allowing car owners to earn passive income through sharing their vehicle, which otherwise may sit idle. The peer-to-peer car sharing transaction requires an appropriate insurance framework.

The updated model law was developed and agreed upon through extensive stakeholder participation and ensures there are robust and uniform measures for consumer safety, transparent pricing, and insurance coverage. Under the agreed upon update to the 2019 NCOIL model, the following areas have been amended to provide clarity and standardization of insurance coverage during the peer-to-peer car sharing transaction:

- **Definitions:** Clarifies that car sharing program agreement does not mean a rental car agreement as well as additional language to encompass potential alternatives to the agreed upon car sharing termination time.
- **Insurance:** Clarifies that state limits apply to the state where an accident occurs even if that state has higher limits than the state of car sharing origin; broadens the provision of the peer-to-peer program having primary liability in dispute situations concerning possession or return of the car; and preserves an insurer's ability to underwrite, cancel or non-renew under existing law.
- **Recordkeeping:** Provides additional requirements on the car sharing program to keep and in certain instances share records of pick up and drop off locations, records of settlement, negotiation and litigation to facilitate a claim coverage investigation.

Below are specific references to areas in HB 6568 which would need to be amended to include the updates to the NCOIL Peer to Peer Car Sharing Model:

Updated NCOIL Peer to Peer Car Sharing Amendments – CT HB 6568

- 1) Line 37 – Car Sharing Termination Time-** Section (B) of this definition addressed termination time when the shared vehicle is returned to an alternate location, “as communicated through a car sharing program”, the proposal adds “which alternatively agreed upon location shall be incorporated into the car sharing agreement”.

- 2) Line 82 (f) -** This section states that the required P2P required insurance be primary, the amendment adds language that, if the accident occurs in a state in a different state with higher financial responsibility limits, then the policy providing the P2P coverage will conform, as is the case with most auto insurance policies.

- 3) Line 85 (g)-** Section (g) currently requires the P2P required coverage to assume primary liability for a claim when there is a dispute over who was in control of a shared vehicle and the P2P is unable to provide data showing who had possession of the vehicle. The amendment broadens the provision, making it applicable to situations involving possession, or return of the vehicle to the agreed upon location.

- 4) Line 140 -** The amendment is a new section (c) stating that nothing in the law “limits or restricts an insurer’s ability to underwrite, cancel or non-renew under for participation in P2P programs has been added. The proposed language removes the reference to P2P programs, and instead says that nothing limits an insurer’s ability “under existing law” consistent with the original intent and avoiding the appearance of attempting to broaden the law.

5) Line 141 - The proposed amendment modifies Section 5 by adding “pick up and drop off” locations specifically to the data that is to be collected by the P2P as well as adding add “settlement, negotiation, litigation” to the model language provisions access to facilitate “a claim coverage investigation”.

6) Line 159- In the third line, the amendment replaces the word “contribution” has been with “recovery”, a broader term that provides that an insurer that has paid a claim that is excluded under a policy may seek to recover its payment.

For the foregoing reasons, the IAC and the APCIA urge this Committee to amend HB 6568 in accordance with our suggestions and advance this bill.