
DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 532 Engrossed

2020 Regular Session

Jordan

Abstract: Regulates the business of insurance as it relates to peer-to-peer car sharing.

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 programs insurer to provide the required coverage if the owner or driver have 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.

Effective Jan. 1, 2021.

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

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Add provision that excludes automobile rental contract as defined in present law from the definition of "car sharing program agreement".
2. Add a provision that excludes a service provider who is solely providing hardware or software as service to a person or entity that is not executing payment for use of a shared vehicle from the definition of "peer-to-peer car sharing program".
3. Make technical changes.