

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 532** HLS 20RS 64

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 26, 2020 3:31 PM	<b>Author:</b> JORDAN
<b>Dept./Agy.:</b> LA Dept. of Insurance	<b>Analyst:</b> Zachary Rau
<b>Subject:</b> Peer-to-Peer Car Sharing	

INSURANCE RE SEE FISC NOTE SG EX See Note  
Provides relative to Peer-to-Peer Car Sharing

Proposed law provides for peer-to-peer car sharing and defines certain terms. Proposed law provides for insurance requirements peer-to-peer car sharing networks, including abiding by minimum insurance coverage requirements for owners in present law. Proposed law further provides for recordkeeping requirements by peer-to-peer car insurance networks, notifications of implications of lien for shared vehicle owners, exclusions in motor vehicle liability policy exclusions for shared vehicle owners engaging in peer-to-peer car sharing via a network, exemptions from vicarious liability based solely on vehicle ownership, and allows for contribution against indemnification in certain circumstances. Proposed law establishes a network's insurable interest in shared vehicles during the car sharing period, consumer protections disclosures, driver's license requirements and retention of certain driver's license data. Proposed law includes hold harmless provisions for drivers if any special equipment in the vehicle (GPS systems et al) is damaged or stolen during the car sharing period. Proposed law provides relative to safety recalls, including notification of safety recalls to shared owners.

<b>EXPENDITURES</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

<b>REVENUES</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>5 -YEAR TOTAL</b>
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Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Proposed law may result in a marginal workload increase for the LA Dept. of Insurance (LDI) associated with reviews by the department's Office of Property & Casualty of any forms or endorsements associated with insurance policies for those engaged in peer-to-peer car sharing. LDI anticipates being able to utilize existing personnel and resources to conduct any additional form reviews associated with the proposed legislation.

**REVENUE EXPLANATION**

Proposed law may result in additional SGR collections for the LA Dept. of Insurance to the extent firms insure peer-to-peer car sharing and file forms and endorsements associated with insurance policies for these activities with LDI's Property and Casualty Division. The filing fees and forms insurers may file are as follows in the table below:

<u>Form Type</u>	<u>Fee</u>
Property and Casualty Insurance Policy Forms, per product.	\$100
Adoption of Reference/Item Filing of Advisory Organization's Form Reference	\$20
Property and Casualty Endorsements, Amendments, and Riders	\$25

However, any revenue collected from this source is indeterminable and dependent upon firms insuring peer-to-peer car sharing activities filing forms with the department, as well as the types and number of forms filed. As a result, the proposed revenue increase is indeterminable.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  
**Evan Brasseaux**  
**Staff Director**