

# HOUSE BILL 1187

C4, R5

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By: **Delegates Fraser–Hidalgo, Amprey, and Solomon**

Introduced and read first time: February 10, 2023

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Peer-to-Peer Car Sharing Programs – Insurance and Liability**

3 FOR the purpose of repealing certain provisions of law authorizing a peer-to-peer car  
4 sharing program’s motor vehicle liability insurance policy on a replacement vehicle  
5 to be secondary coverage for a shared vehicle driver; altering certain motor vehicle  
6 liability insurance requirements applicable to peer-to-peer car sharing programs;  
7 requiring certain insurance coverage to satisfy the difference in minimum coverage  
8 amounts if a claim arises out of an occurrence during the car sharing period in  
9 another state that has higher minimum financial responsibility limits; authorizing  
10 a peer-to-peer car sharing program to transfer monetary liability and charge a  
11 shared vehicle driver for certain tolls, fees, charges, or fines imposed under certain  
12 circumstances; excluding a peer-to-peer car sharing program from the definition of  
13 “owner” for purpose of citations issued for violations recorded by a traffic control  
14 signal monitoring system; and generally relating to peer-to-peer car sharing  
15 programs.

16 BY repealing and reenacting, with amendments,  
17 Article – Insurance  
18 Section 19–520  
19 Annotated Code of Maryland  
20 (2017 Replacement Volume and 2022 Supplement)

21 BY repealing and reenacting, with amendments,  
22 Article – Transportation  
23 Section 18.5–102, 18.5–108, and 21–202.1(a)(3)  
24 Annotated Code of Maryland  
25 (2020 Replacement Volume and 2022 Supplement)

26 BY repealing and reenacting, without amendments,  
27 Article – Transportation  
28 Section 21–202.1(a)(1) and (5) and (d)(1)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland  
2 (2020 Replacement Volume and 2022 Supplement)

3 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
4 That the Laws of Maryland read as follows:

5 **Article – Insurance**

6 19–520.

7 (a) (1) In this section the following words have the meanings indicated.

8 (2) “Car sharing delivery period” means the period of time during which a  
9 shared motor vehicle is being delivered to the location of the car sharing start time, as  
10 documented by the shared vehicle owner under a peer-to-peer car sharing program  
11 agreement.

12 (3) “Car sharing period” means the period of time that commences with the  
13 car sharing delivery period and ends at the car sharing termination time.

14 (4) “Car sharing start time” means the time when a shared motor vehicle  
15 becomes subject to the control of the shared vehicle driver at or after the time the  
16 reservation of a shared motor vehicle is scheduled to begin as documented in the records of  
17 a peer-to-peer car sharing program.

18 (5) “Car sharing termination time” means:

19 (i) the time when the shared motor vehicle is returned to the  
20 location designated by the shared vehicle owner through a peer-to-peer car sharing  
21 program; and

22 (ii) the earliest of the following occurs:

23 1. the expiration of the agreed period of time established for  
24 the use of the shared motor vehicle;

25 2. the intent to terminate the use of the shared motor vehicle  
26 is verifiably communicated to the peer-to-peer car sharing program; or

27 3. the shared vehicle owner, or the shared vehicle owner’s  
28 authorized designee, takes possession and control of the shared motor vehicle.

29 (6) “Intentional or fraudulent material misrepresentation” means an  
30 affirmative statement or an omission by a shared vehicle owner that misrepresents  
31 material facts about the shared vehicle owner or the shared motor vehicle.

1 (7) "Motor vehicle" has the meaning stated in § 11-135 of the  
2 Transportation Article.

3 (8) "Peer-to-peer car sharing" means the authorized use of a motor vehicle  
4 by an individual other than the vehicle's owner through a peer-to-peer car sharing  
5 program.

6 (9) "Peer-to-peer car sharing program" means a platform that is in the  
7 business of connecting vehicle owners with drivers to enable the sharing of motor vehicles  
8 for financial consideration.

9 (10) "Peer-to-peer car sharing program agreement" means the written  
10 terms and conditions applicable to a shared vehicle owner and a shared vehicle driver that  
11 govern the use of a shared vehicle through a peer-to-peer car sharing program under the  
12 provisions of this section and Title 18.5 of the Transportation Article.

13 (11) "Shared motor vehicle" means a motor vehicle that is available for  
14 sharing through a peer-to-peer car sharing program.

15 (12) "Shared vehicle driver" means an individual who has:

16 (i) reserved the use of a shared motor vehicle through a  
17 peer-to-peer car sharing program; and

18 (ii) been authorized to drive the shared motor vehicle by the  
19 peer-to-peer car sharing program.

20 (13) "Shared vehicle owner" means the registered owner of a motor vehicle  
21 made available for sharing to shared vehicle drivers through a peer-to-peer car sharing  
22 program.

23 (b) (1) Solely on the basis that a motor vehicle is shared through a  
24 peer-to-peer car sharing program:

25 (i) a peer-to-peer car sharing program may not be considered to  
26 have rented the vehicle under Title 18, Subtitle 1 of the Transportation Article;

27 (ii) the shared vehicle owner may not be considered to have rented a  
28 vehicle under Title 18, Subtitle 1 of the Transportation Article; and

29 (iii) a peer-to-peer car sharing program may not be considered to be:

30 1. a rental vehicle company under § 18-108 of the  
31 Transportation Article; or

32 2. a motor vehicle rental company under Title 10, Subtitle 6  
33 of this article.

1           (2) Subject to subsection (e)(1) of this section, the use of a shared motor  
2 vehicle through a peer-to-peer car sharing program does not constitute a commercial use  
3 solely on the basis that the motor vehicle is available for sharing or used through a  
4 peer-to-peer car sharing program.

5           (c) (1) (i) Except as provided in subparagraph (ii) of this paragraph, a  
6 peer-to-peer car sharing program shall assume the liability of a shared vehicle owner for  
7 any bodily injury or property damage to third parties or uninsured and underinsured  
8 motorist or personal injury protection losses during the car sharing period in an amount  
9 stated in the peer-to-peer car sharing program agreement, which amount may not be less  
10 than the minimum amount of security required under § 17-103 of the Transportation  
11 Article.

12           (ii) Except for the minimum security required under § 17-103 of the  
13 Transportation Article for any injured person who did not make the intentional or  
14 fraudulent misrepresentation, the assumption of liability under paragraph (1) of this  
15 subsection does not apply if the shared vehicle owner made an intentional or fraudulent  
16 material misrepresentation to the peer-to-peer car sharing program before the car sharing  
17 period in which the loss occurred.

18           (2) Nothing in paragraph (1) of this subsection:

19           (i) limits the liability of the peer-to-peer car sharing program for  
20 any act or omission of the peer-to-peer car sharing program itself that results in injury to  
21 any person as a result of the use of a shared motor vehicle through a peer-to-peer car  
22 sharing program; or

23           (ii) limits the ability of the peer-to-peer car sharing program to, by  
24 contract, seek indemnification from the shared vehicle owner or the shared vehicle driver  
25 for economic loss sustained by the peer-to-peer car sharing program resulting from a  
26 breach of the terms and conditions of the peer-to-peer car sharing program agreement.

27           (3) Each peer-to-peer car sharing program agreement made with respect  
28 to a car sharing arrangement in the State shall disclose to the shared vehicle owner and  
29 the shared vehicle driver:

30           (i) any right of the peer-to-peer car sharing program to seek  
31 indemnification from the shared vehicle owner or the shared vehicle driver for economic  
32 loss sustained by the peer-to-peer car sharing program resulting from a breach of the  
33 terms and conditions of the peer-to-peer car sharing program agreement;

34           (ii) that a motor vehicle liability insurance policy issued to the  
35 shared vehicle owner for the shared motor vehicle or to the shared vehicle driver does not  
36 provide a defense or indemnification for any claim asserted by the peer-to-peer car sharing  
37 program under item (i) of this paragraph;

1 (iii) that the peer-to-peer car sharing program's insurance coverage  
2 on the shared vehicle owner and the shared vehicle driver is in effect only during each car  
3 sharing period and that, for any use of the shared motor vehicle by the shared vehicle driver  
4 after the car sharing termination time, the shared vehicle driver and the shared vehicle  
5 owner should contact the shared vehicle driver's or the shared vehicle owner's insurer about  
6 insurance coverage; **AND**

7 (iv) [that the peer-to-peer car sharing program's motor vehicle  
8 liability insurance policy may be exclusive for the shared vehicle owner and is primary for  
9 the shared vehicle driver, but may be secondary for the shared vehicle driver if the shared  
10 motor vehicle is used as a replacement vehicle, as defined in § 18.5-102(a)(2)(i) of the  
11 Transportation Article; and

12 (v)] the daily rate, fees, any insurance costs, and any protection  
13 package costs that are charged to the shared vehicle owner or the shared vehicle driver.

14 (4) At the time when a vehicle owner registers as a shared vehicle owner  
15 on a peer-to-peer car sharing program and prior to the time when the shared vehicle owner  
16 makes a shared motor vehicle available for car sharing on the peer-to-peer car sharing  
17 program, the peer-to-peer car sharing program shall notify the shared vehicle owner that,  
18 if the shared motor vehicle has a lien against it, the use of the shared motor vehicle through  
19 a peer-to-peer car sharing program, including use without physical damage coverage, may  
20 violate the terms of the contract with the lienholder.

21 (d) (1) A peer-to-peer car sharing program shall ensure that, during each car  
22 sharing period, the shared vehicle owner and the shared vehicle driver are insured under  
23 a motor vehicle liability insurance policy that:

24 **(I) PROVIDES COVERAGE IN AMOUNTS NOT LESS THAN THOSE**  
25 **REQUIRED UNDER § 17-103 OF THE TRANSPORTATION ARTICLE; AND**

26 **[(i)] (II) 1.** recognizes that the vehicle insured under the policy  
27 is made available and used through a peer-to-peer car sharing program; **[and] OR**

28 **[(ii)] 2.** [provides the minimum security required under § 17-103  
29 of the Transportation Article] **DOES NOT EXCLUDE THE USE OF THE SHARED MOTOR**  
30 **VEHICLE BY A SHARED VEHICLE DRIVER.**

31 (2) The insurance described under paragraph (1) of this subsection may be  
32 satisfied by motor vehicle liability insurance maintained by:

33 (i) a shared vehicle owner;

34 (ii) **A SHARED VEHICLE DRIVER;**

35 **(III) a peer-to-peer car sharing program; or**

1                    ~~[(iii)]~~ **(IV)**    ~~[both]~~ **ANY COMBINATION OF** a shared vehicle owner, A  
2 **SHARED VEHICLE DRIVER**, and a peer-to-peer car sharing program.

3                    (3)    (i)    A peer-to-peer car sharing program shall have an insurable  
4 interest in a shared motor vehicle during the car sharing period.

5                    (ii)    A peer-to-peer car sharing program may own and maintain as  
6 the named insured one or more policies of motor vehicle liability insurance that provides  
7 coverage in the amount of, in excess of, or optional to the minimum amount of coverage  
8 required to be provided under paragraph (1) of this subsection, including coverage for:

9                    1.    liabilities assumed by the peer-to-peer car sharing  
10 program under a peer-to-peer car sharing program agreement;

11                    2.    any liability of the shared vehicle owner;

12                    3.    damage or loss to the shared motor vehicle; and

13                    4.    any liability of the shared vehicle driver.

14                    (iii)    An offer by a peer-to-peer car sharing program to provide  
15 coverage to a shared vehicle driver in the amount of, in excess of, or optional to the  
16 minimum amount of coverage required to be provided under paragraph (1) of this  
17 subsection, whether on a stand-alone basis or as part of a financial protection package,  
18 shall be considered the sale or offer of insurance under Title 10, Subtitle 6A of this article.

19                    (4)    The insurance described under paragraph (1) of this subsection or  
20 authorized under paragraph (3) of this subsection shall:

21                    (i)    as to coverage of the shared vehicle driver, pay claims on a first  
22 dollar basis; and

23                    (ii)    be issued by:

24                    1.    an insurer authorized to do business in the State; or

25                    2.    solely with respect to insurance maintained by a  
26 peer-to-peer car sharing program under paragraph (3) of this subsection, an eligible  
27 surplus lines insurer:

28                    A.    in accordance with the requirements of Title 3, Subtitle 3  
29 of this article; and

30                    B.    having an A.M. Best financial strength rating of A- or  
31 better.

1           (5)   (i)    The insurance described under paragraph (1) of this subsection  
2 shall, as to coverage of the shared vehicle owner, pay claims on a first dollar basis.

3                   (ii)   This paragraph may not apply to the terms and conditions under  
4 the insurance policy applicable to the peer-to-peer car sharing program.

5           (6)    Consumer complaints concerning claims against a surplus lines policy  
6 issued in connection with, and incidental to, a peer-to-peer car sharing program agreement  
7 are subject to the Commissioner's authority under § 27-303 of this article.

8           (7)    [(i)    Except as provided in subparagraph (ii) of this paragraph, the  
9 motor vehicle liability insurance policy described in paragraph (1) of this subsection shall  
10 be primary with respect to the shared vehicle driver, but may be secondary to the shared  
11 vehicle driver's motor vehicle liability insurance policy if the shared motor vehicle is used  
12 by the shared vehicle driver as a replacement vehicle, as defined in § 18.5-102(a)(2)(i) of  
13 the Transportation Article.

14                   (ii)]   If the insurance maintained by [the] A shared vehicle driver has  
15 lapsed, or is otherwise not in force, the peer-to-peer car sharing program's insurance  
16 coverage required under paragraph (1) of this subsection shall be primary.

17           **(8)    IF A CLAIM THAT ARISES OUT OF AN OCCURRENCE DURING THE**  
18 **CAR SHARING PERIOD OCCURRED IN ANOTHER STATE WITH MINIMUM FINANCIAL**  
19 **RESPONSIBILITY LIMITS HIGHER THAN THOSE REQUIRED UNDER § 17-103 OF THE**  
20 **TRANSPORTATION ARTICLE, THE COVERAGE REQUIRED UNDER PARAGRAPH (1) OF**  
21 **THIS SUBSECTION SHALL SATISFY THE DIFFERENCE IN MINIMUM COVERAGE**  
22 **AMOUNTS, UP TO THE APPLICABLE POLICY LIMITS.**

23           (e)    (1)    An authorized insurer that writes motor vehicle liability insurance in  
24 the State and the Maryland Automobile Insurance Fund may exclude any and all coverage  
25 and the duty to defend or indemnify for any claim afforded under a shared vehicle owner's  
26 personal motor vehicle liability insurance policy for any loss or injury that occurs during  
27 the car sharing period.

28                   (2)    A motor vehicle insurer that defends or indemnifies a claim against a  
29 driver that is excluded under the terms of its policy shall have the right to seek contribution  
30 against the motor vehicle insurer of the peer-to-peer car sharing program if the claim is:

31                           (i)    made against the shared vehicle owner or the shared vehicle  
32 driver for loss or injury that occurs during the car sharing period; and

33                           (ii)   excluded under the terms of its policy.

34                   (3)    Nothing in this section invalidates or limits an exclusion contained in a  
35 motor vehicle liability insurance policy, including any insurance policy in use or approved

1 for use before October 1, 2018, that excludes coverage for motor vehicles made available for  
2 rent, sharing, or hire or for any business use.

3 (4) The right to exclude any and all coverage and the duty to defend under  
4 paragraph (1) of this subsection applies to any coverage included in a motor vehicle liability  
5 insurance policy, including:

6 (i) liability coverage for bodily injury and property damage;

7 (ii) uninsured and underinsured motorist coverage;

8 (iii) medical payments coverage;

9 (iv) personal injury protection coverage;

10 (v) comprehensive physical damage coverage; and

11 (vi) collision physical damage coverage.

12 (f) (1) Except as provided in paragraph (2) of this subsection, a motor vehicle  
13 insurer may not deny, cancel, void, terminate, rescind, or nonrenew a personal motor  
14 vehicle liability insurance policy of a shared vehicle owner solely on the basis that a motor  
15 vehicle covered under the policy has been made available for sharing through a  
16 peer-to-peer car sharing program.

17 (2) A motor vehicle insurer may deny, cancel, void, terminate, rescind, or  
18 nonrenew a personal motor vehicle liability insurance policy covering a motor vehicle that  
19 has been made available for sharing through a peer-to-peer car sharing program if the  
20 applicant or policyholder of the personal motor vehicle liability insurance fails to provide  
21 complete and accurate information about the use of a shared motor vehicle through the  
22 peer-to-peer car sharing program as requested by the motor vehicle insurer during the  
23 application or renewal process of the motor vehicle liability insurance policy.

24 (g) [Nothing in this section:

25 (1) requires any shared vehicle owner's personal motor vehicle liability  
26 insurance policy to provide primary or excess coverage during the car sharing period;

27 (2) may be interpreted to imply that any shared vehicle owner's personal  
28 motor vehicle liability insurance policy provides coverage for a motor vehicle during the car  
29 sharing period; or

30 (3) precludes a motor vehicle insurer from providing coverage for a shared  
31 vehicle owner's vehicle while the vehicle is made available or used through a peer-to-peer  
32 car sharing program if the motor vehicle insurer elects to do so by contract or endorsement.



1 (h) (1) Coverage under a motor vehicle liability insurance policy maintained  
2 by a peer-to-peer car sharing program may not be dependent on the denial of a claim by  
3 another motor vehicle insurer.

4 (2) A motor vehicle insurer of a personal motor vehicle liability insurance  
5 policy may not be required to first deny a claim.

6 [(i)] (H) A peer-to-peer car sharing program and a shared vehicle owner shall  
7 be exempt from vicarious liability in accordance with 49 U.S.C. § 30106 and under any state  
8 or local law that imposes liability solely based on vehicle ownership.

9 [(j)] (I) In a claim coverage investigation following a vehicular accident, a  
10 peer-to-peer car sharing program shall cooperate to facilitate the exchange of information  
11 with directly involved parties and any motor vehicle insurer of a shared vehicle owner  
12 regarding the vehicle's use in a peer-to-peer car sharing program.

### 13 Article – Transportation

14 18.5–102.

15 (a) (1) A peer-to-peer car sharing program shall ensure that, during each car  
16 sharing period, the shared vehicle owner and the shared vehicle driver are insured under  
17 a motor vehicle liability insurance policy in accordance with § 19–520 of the Insurance  
18 Article.

19 (2) (i) In this paragraph, “replacement vehicle” means a motor vehicle  
20 that is used in a peer-to-peer car sharing program while a motor vehicle owned by the  
21 individual is not in use because of loss, as “loss” is defined in that individual’s applicable  
22 private passenger automobile insurance policy, or because of breakdown, repair, service, or  
23 damage.

24 (ii) Subject to subparagraph (iii) of this paragraph, a replacement  
25 vehicle **OR SHARED MOTOR VEHICLE** that is made available through a peer-to-peer car  
26 sharing program may be deemed to have satisfied the requirement of paragraph (1) of this  
27 subsection by maintaining the minimum amount of security required under § 17–103 of  
28 this article that is secondary to any other valid and collectible coverage and that extends  
29 coverage to the owner’s motor vehicle in amounts required under § 17–103(b) of this article  
30 while it is used as a replacement vehicle **OR SHARED MOTOR VEHICLE**.

31 (iii) For a replacement vehicle that is made available through a  
32 peer-to-peer car sharing program, the peer-to-peer car sharing program agreement for  
33 the replacement vehicle to be signed by a shared vehicle owner and a shared vehicle driver  
34 shall contain a provision on the face of the peer-to-peer car sharing program agreement,  
35 in at least 10 point bold type, that informs the shared vehicle driver and the shared vehicle  
36 owner that [the coverage on the vehicle being serviced or repaired is primary coverage for  
37 the replacement vehicle and] the coverage maintained by the peer-to-peer car sharing

1 program on the replacement vehicle is [~~secondary~~] **PRIMARY COVERAGE FOR THE**  
2 **REPLACEMENT VEHICLE.**

3 (b) Notwithstanding any provision of a peer-to-peer car sharing program  
4 agreement to the contrary, the security required under this section shall cover the shared  
5 vehicle owner and each person driving or using the shared motor vehicle with the  
6 permission of the owner or the peer-to-peer car sharing program.

7 18.5–108.

8 (a) **(1)** A peer-to-peer car sharing program may charge a shared vehicle driver  
9 a separately stated fee to recover the following costs incurred by the peer-to-peer car  
10 sharing program:

11 **[(1)] (I)** Any concession fees paid to a government-owned or  
12 government-operated:

13 **[(i)] 1.** Airport; or

14 **[(ii)] 2.** Other entity; and

15 **[(2)] (II)** Any other fee or charge imposed by a governmental entity.

16 **[(b)] (2)** If a peer-to-peer car sharing program advertises the rate available for  
17 a shared motor vehicle in the State, the fees authorized under this [~~section~~] **SUBSECTION**  
18 shall be clearly disclosed in the advertisement.

19 **(B) A PEER-TO-PEER CAR SHARING PROGRAM MAY TRANSFER MONETARY**  
20 **LIABILITY AND CHARGE A SHARED VEHICLE DRIVER FOR ANY TOLL, FEE, CHARGE,**  
21 **OR FINE IMPOSED FOR ANY ACT OR OMISSION INVOLVING THE SHARED MOTOR**  
22 **VEHICLE THAT OCCURRED WHILE THE VEHICLE WAS UNDER THE CONTROL OR**  
23 **POSSESSION OF THE SHARED VEHICLE DRIVER DURING THE CAR SHARING PERIOD.**

24 21–202.1.

25 (a) (1) In this section the following words have the meanings indicated.

26 (3) (i) “Owner” means the registered owner of a motor vehicle or a  
27 lessee of a motor vehicle under a lease of 6 months or more.

28 (ii) “Owner” does not include [a]:

29 1. A motor vehicle rental or leasing company [or a];

1                                   **2.**     **A holder of a special registration plate issued under Title**  
2 **13, Subtitle 9, Part III of this article; OR**

3                                   **3.**     **A PEER–TO–PEER CAR SHARING PROGRAM UNDER §**  
4 **19–520 OF THE INSURANCE ARTICLE.**

5                                   (5)     “Traffic control signal monitoring system” means a device with one or  
6 more motor vehicle sensors working in conjunction with a traffic control signal to produce  
7 recorded images of motor vehicles entering an intersection against a red signal indication.

8                                   (d)     (1)     Unless the driver of the motor vehicle received a citation from a police  
9 officer at the time of the violation, the owner or, in accordance with subsection (g)(5) of this  
10 section, the driver of a motor vehicle is subject to a civil penalty if the motor vehicle is  
11 recorded by a traffic control signal monitoring system while being operated in violation of  
12 § 21–202(h) of this subtitle.

13                                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
14 October 1, 2023.