

HOUSE BILL 1187

C4, R5

3lr3037

CF 3lr1913

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

Introduced and read first time: February 10, 2023

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

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)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

Article – Insurance

6 19-520.

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

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

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

18 (5) "Car sharing termination time" means:

(ii) the earliest of the following occurs:

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

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

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

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

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

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

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.

(13) "Shared vehicle owner" means the registered owner of a motor vehicle made available for sharing to shared vehicle drivers through a 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;

(ii) the shared vehicle owner may not be considered to have rented a 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

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

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;

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.

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

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

33 (j) a shared vehicle owner;

34 (ii) A SHARED VEHICLE DRIVER:

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

(3) (i) A peer-to-peer car sharing program shall have an insurable 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:

11 2. any liability of the shared vehicle owner;

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

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

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

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

(2) A motor vehicle insurer that defends or indemnifies a claim against a driver that is excluded under the terms of its policy shall have the right to seek contribution 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.

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

(2) A motor vehicle insurer of a personal motor vehicle liability insurance 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.

Article – Transportation

14 18.5–102.

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.