



Testimony to the House Economic Matters Committee
HB1187: Peer-to-Peer Car Sharing Programs - Insurance and Liability
Position: Favorable

March 2, 2023

The Honorable C.T. Wilson, Chair
House Economic Matters Committee
Room 231, House Office Building
Annapolis, Maryland 21401
cc: Members, House Economic Matters

Honorable Chair Wilson and members of the committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a statewide coalition of individuals and organizations that advances financial justice and economic inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are writing in support of HB1187, which would establish clear insurance and liability standards for peer-to-peer car sharing programs in our state. This bill would help protect the rights and interests of all parties involved in these programs. Peer-to-peer (P2P) car sharing programs have become increasingly popular in recent years, offering a flexible and affordable alternative to traditional car rental services. The P2P market was \$1.6 million in 2021 and predicted to reach \$7.2 million by 2030. The major factors driving the growth of the market include the low cost and convenience of such mobility platforms, growing concerns over greenhouse gas emissions, strong push for vehicle electrification, soaring adoption of these services in developing countries, and worsening urban road congestion.¹ However, many consumers are still unsure about the risks and liabilities involved in sharing their personal vehicles with others, and some insurance companies have been hesitant to provide coverage for these types of services.

By establishing clear insurance and liability standards for peer-to-peer car sharing programs, HB1187 provides consumers with greater peace of mind and ensures that they are protected in the event of an accident or other unforeseen circumstances. This transparency would encourage more people to participate in these programs, which could help promote economic equity by providing affordable transportation options to those who may not be able to afford a car of their own. In 2019, Maryland ranked among the bottom ten states for quality of state transportation infrastructure.² Even in regions with strong transit systems, many low-income families have trouble reaching jobs for which they are qualified. Some are forced to turn down good positions in favor of lower paying ones with transit access. Accessible, affordable, and safe transit options are needed in this state to support the upward mobility of Maryland's working families.

The Federal Trade Commission warns consumers considering renting their car through P2P services that insurance can be complicated and might not offer sufficient coverage.³ HB1187 begins to address this issue by clarifying liability insurance requirements. This clarity provides important protections for consumers and promotes economic equity in our state. For these reasons we support HB1187 and urge a favorable report.

Respectfully,
Isadora Stern
Policy Manager

¹ <https://www.psmarketresearch.com/market-analysis/p2p-carsharing-market>

² <https://www.usnews.com/news/best-states/rankings/infrastructure/transportation>

³ <https://consumer.ftc.gov/consumer-alerts/2022/08/peer-peer-car-sharing-potentially-risky-side-gig>