

HB1187 – Peer-to-Peer Car Sharing Programs - Insurance and Liability

Favorable with Amendment

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Primary-Secondary Corrective Bill Summary:

Context:

- Turo and other peer-to-peer car services sought statutory change in 2017 to accommodate what was an emerging market.
- Maryland Insurance Administration issued a report, participated in by a broad range of industry and government stakeholders to tidy up the statute and to keep it up to date with practice.
- In the intervening years issues to do with taxation and operation in places like BWI have been settled
- Now it is the turn of the insurance piece.

The Bill

- This bill creates a new mechanism calling for a vehicle renter's personal insurance policy to be the primary source of motor vehicle liability insurance may be accomplished via changes within the Transportation Article.
- Following MIA's recommendation, the changes extend the existing exception for "temporary replacement" vehicle rentals to include all rentals, including those facilitated through peer-to-peer platforms such as Turo.
- Statutory changes leave in place the requirement that a registered vehicle owner must still procure primary liability insurance for all instances other than vehicle rental situations.

Why Make the Change:

- This change has been on the cards for a long time, it is a technical change to allow the industry to more comfortably mature.
- It has no impact on related industries – it simply aligns practice with the traditional rental market
- The change in law will not have a direct impact on consumers
- The bill will allow Turo vehicle operators to make more money for themselves.