

**SB 395 Testimony.docx.pdf**

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THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

**Testimony In Support of SB 395 - Peer-to-Peer Car Sharing Programs – Insurance and Liability**

Madam Chair, Mr. Vice Chair, and Members of the Senate Finance Committee:

SB 395 makes a targeted, technical update to Maryland law governing peer-to-peer car sharing programs in order to restore parity with the traditional car rental market and existing insurance practice. This legislation passed the Senate Finance Committee and the full Senate unanimously last year as SB 771. SB 395 is a reintroduction of that measure, with technical language refined in response to input from the insurance industry and regulatory agencies.

Peer-to-peer car sharing allows an individual to rent another person's vehicle for a period of time in exchange for payment, using a digital platform that connects vehicle owners and drivers. In many respects, this model operates similarly to traditional car rentals and personal vehicle use.

Under current Maryland law, when a driver operating a vehicle rented through a peer-to-peer platform is at fault in a crash, the insurance policy of the peer-to-peer platform is sought first—before the driver's own personal auto insurance. This treatment is inconsistent with how liability is assigned in nearly every other comparable circumstance, including traditional rental cars and personal vehicle use.

SB 395 corrects that inconsistency.

**Background**

Maryland first regulated peer-to-peer car sharing programs in 2018, following a report issued by the Maryland Insurance Administration in 2017 that was informed by a broad range of industry and government stakeholders. The goal at that time was to ensure that this emerging market operated safely and consistently with consumer and insurance practices.

Since then, the peer-to-peer market has matured, and related issues—such as taxation and operations at facilities like BWI—have been resolved. In the years following enactment, the traditional car rental industry sought and received the same insurance treatment that SB 395 now extends to peer-to-peer platforms.

As a result, peer-to-peer programs are currently treated differently than similarly situated rental transactions, despite presenting the same risk profile when a driver is at fault.

## **Existing Law**

Under current law, when a shared vehicle driver causes a crash during a peer-to-peer rental, the insurance maintained by the peer-to-peer platform is the primary source of coverage, even though the driver is operating the vehicle.

This differs from traditional rental cars and personal vehicle use, where the driver's own personal auto insurance is the first source of coverage when the driver is at fault.

## **What SB 395 Does**

SB 395 restores parity by clarifying that when a shared vehicle driver is at fault while operating a vehicle rented through a peer-to-peer platform, the driver's personal motor vehicle liability insurance policy is the primary source of coverage.

The bill:

- Aligns peer-to-peer car sharing with the traditional rental car market and national model policy;
- Does not remove peer-to-peer platforms from liability;
- Ensures that the driver, vehicle owner, and peer-to-peer program must all remain properly insured; and
- Provides that if a driver is uninsured or improperly insured, the peer-to-peer program's insurance remains available.

At no point under this bill would a driver be uninsured or a peer-to-peer program be relieved of responsibility.

## **Legislative History**

This legislation passed the Senate Finance Committee and the full Senate unanimously last year as SB 771. SB 395 is a reintroduction of that measure, with technical language refined in response to input from the insurance industry and regulatory agencies.

### **Fiscal Impact**

SB 395 has no fiscal impact. It does not create new programs, impose new costs, or alter consumer coverage requirements.

### **Closing**

SB 395 is a technical, consensus-based update that restores parity between peer-to-peer car sharing programs and traditional car rental transactions. It reflects long-standing recommendations from regulators and aligns Maryland law with established insurance practice.

For these reasons, I respectfully request a favorable report on SB 395.

# **SB395 Turo FAV.pdf**

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**Maryland SB 395 Testimony  
Senate Finance Committee  
Wednesday, February 11, 2026**

Chair Beidle, Vice Chair Hayes, members of the Maryland Senate Finance Committee, thank you for the opportunity to speak to you today in support of Senate Bill 395. I'd also be remiss if I didn't thank Sen. Giles for her leadership in sponsoring this piece of legislation. My name is John A. Heath, and I am the Sr. Manager of Government Relations and External Affairs for Turo, the world's leader in Peer to Peer Car Sharing and our mission is to put the world's 1.5 billion cars to better use.

We most recently have begun Black History Month where we have an increased focus on the civil rights movement, however, as Dr. King and the movement evolved, you hear a shift from just civil rights to economic or "Silver Rights." Turo seeks to be a leader in the Silver Rights Movement by providing a platform for Marylanders to share their cars and earn extra money. Turo provides the lowest barrier micro-business enterprises anyone can create because they already have cars. We are increasingly supporting individuals to grow their micro-businesses particularly in a State like Maryland that has so many residents who are now facing unexpected unemployment due to the decisions made in Washington. Turo has a positive economic impact on the State and local economies because the dollars earned stay local. Additionally, Turo has provided a viable mobility option that many have relied on like nurses did during the Covid crisis.

Maryland has always been at the forefront of embracing and regulating P2P car sharing. The state passed one of the country's first bills establishing a sensible and comprehensive regulatory framework for the P2P car sharing industry in 2018. That bill pre-dated the official adoption of the P2P Car Sharing Program Model Act by the National Council of Insurance Legislators (or, "NCOIL") in 2019 and the amendments that were adopted in 2021.

The NCOIL Model Act was carefully developed through extensive discussions and negotiations among the P2P car sharing industry, the rental car industry, and the insurance industry, including members of the American Property Casualty Insurance Association (or, "APCIA") and the National Association of Mutual Insurance Companies (or, "NAMIC"). To date, 30 states, including Maryland, have P2P car sharing laws that closely follow the NCOIL Model Act.

However, because Maryland's P2P car sharing law was enacted prior to the official adoption of the NCOIL Model Act, it differs in some important ways from the best practices agreed on by the stakeholders involved in the NCOIL Model Act negotiations. The bill before you today, SB 395, would help bring Maryland's trailblazing



P2P car sharing law into better alignment with the NCOIL Model Act and the states that have adopted it, including neighboring Delaware, Pennsylvania, Virginia, and West Virginia.

Allow me to share a few important ways that SB 395 updates Maryland's P2P car sharing law are as follows:

- It allows the shared vehicle owner, the shared vehicle driver, the P2P car sharing program, or some combination of the three to provide insurance coverage for a shared vehicle during the car sharing period on a primary basis.
  - This protects the rights of insurers to sell various types of insurance policies and the rights of consumers to buy various types of policies and ensures that policies that provide coverage for P2P car sharing will be fully honored under Maryland law.
- Importantly, it requires P2P car sharing programs to maintain backstop coverage and step in and provide full coverage if an owner or driver's policy lapses or is deficient in any way.
- For shared vehicles that may be driven to other states, it ensures that insurance coverage that meets another state's minimum financial responsibility requirements is available in case of an accident in that state.
- It allows drivers to be held responsible for traffic violations and tolls, fees, and charges incurred during the car sharing period, instead of owners and P2P car sharing programs, in the same way traditional rental car companies are not held responsible for the actions of their customers.

Thank you for your continued leadership in providing economic opportunity to Marylanders, and more important, thank you for the opportunity to testify in support of Senate Bill 395.