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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

March 5th, 2026

Testimony in Favor of HB1186
Peer-to-Peer Car Sharing Programs - Insurance and Liability

Chair Bartlett, Vice Chair and members of the Judiciary Committee,

I respectfully request a favorable report of HB1186. This bill would restore parity to the rental and peer-to-peer market by making the insurance of a peer-to-peer vehicle driver the first sought in an at-fault situation, just like a traditional rental car or personal vehicle driver.

<u>This bill passed both the Senate Finance committee and the full Senate unanimously last year as SB 771.</u>

Background

Peer-to-peer is a service where one person has the use of another person's vehicle, for a period of time, in exchange for payment. This transaction is facilitated by a peer-to-peer operator or platform. The customer and the vehicle provider are connected to the service via a website or a mobile application.

Under current law, if a driver of a vehicle engaged via a peer-to-peer platform gets into a crash, it is the insurance of the peer-to-peer operator that is sought first, ahead of the driver, who caused the fault. This is out of line with current adjacent industry practice and with national model policy.

The peer-to-peer industry in Maryland has been steadily maturing. In 2017 the Maryland Insurance Administration issued a report, shaped by a broad range of industry and government stakeholders, to update the statute and to keep it in line with industry and consumer practices. Who should have primary and who has secondary coverage in the case of a crash was a subject covered by that report in 2017.

Solution

In response to those recommendations and in line with a national model policy, this bill places the vehicle driver's personal insurance policy as the primary source of motor vehicle liability insurance in the case of a fault by the driver of a peer-to-peer car rental.

There is an amendment to this bill, to meet the concerns of the Trial Bar. This amendment, which brings the bill into even closer parity with the rental car statute, makes it clear that subject to a number of conditions, in the case of a third party liability, a peer-to-peer car sharing company's insurance would be primary – just as it is for rental cars. This will make locating the correct insurance information in these scenarios easier.

This bill does not remove a peer-to-peer operator from liability – it simply aligns the law with almost every other case where a driver is at-fault behind the wheel, in making that driver's insurance the payer of *first* resort. If a driver is without insurance, or improperly insured, a peer-to-peer master policy would then be sought.

Under this legislation the driver, the car owner, and the peer-to-peer service must all be properly insured, just like a traditional rental car or a personal vehicle. If the car owner or driver is found to be improperly insured, the peer-to-peer operator would still be liable.

This technical change, sought in previous sessions, will allow the industry to more comfortably mature in parity with market partners. Language requested by the insurance industry and the regulating agencies was added to the bill ahead of introduction last year this bill is a reintroduction.

Amendment HB1186/143527/1 and the reprint are also attached with my testimony.

I respectfully request a favorable report on HB1186.

Sincerely,

Mike Rogers

Mike Rogers
Maryland Delegate, *32nd District*