

1 "Private passenger motor vehicle" means a four-wheel
2 passenger motor vehicle insured under a motor vehicle insurance
3 policy required pursuant to section 431:10C-301.

4 § -2 **Personal vehicle sharing programs.** A private
5 passenger motor vehicle shall not be classified as a commercial,
6 for hire, rental, or U-drive motor vehicle when:

- 7 (1) The private passenger motor vehicle is used or
8 operated pursuant to a personal vehicle sharing
9 program established under this chapter; and
- 10 (2) The annual revenue received by the owner of the
11 private passenger motor vehicle that is generated by
12 participation in a personal vehicle sharing program
13 does not exceed the annual expenses of owning and
14 operating the motor vehicle, including the
15 depreciation, interest, lease payments, auto loan
16 payments, insurance, maintenance, parking, fuel,
17 cleaning, repairs, and costs associated with personal
18 vehicle sharing, including the installation,
19 operation, and maintenance of computer hardware and
20 software, signage identifying the vehicle as part of a
21 personal vehicle sharing program, and any fees charged
22 by a personal vehicle sharing program.



1 § -3 **Program duties.** For each private motor vehicle
2 that a personal vehicle sharing program facilitates the use of,
3 the program shall:

- 4 (1) During all times that the vehicle is engaged in
5 personal vehicle sharing, provide motor vehicle
6 insurance to pay on behalf of any operator of the
7 insured vehicle using the vehicle with the express
8 permission of the owner pursuant to the program, sums
9 which the operator may be legally obligated to pay for
10 damage or destruction of property of others (except
11 property owned by, being transported by, or in the
12 charge of the owner or operator) arising out of the
13 operation or use of the motor vehicle unless the motor
14 vehicle is reported stolen by the owner within three
15 days of notification of the incident; provided that,
16 if any shared motor vehicle is involved in an
17 accident, the owner and program shall provide all
18 information they have or obtain relevant to the
19 accident to all other involved parties upon their
20 request, including information about the operator;
- 21 (2) Prior to the first use of a vehicle in a program, and
22 upon renewal, cancellation, or change in insurance by



1 the program, provide the vehicle's registered owner
2 with proof of compliance with the insurance
3 requirements of this section. A copy of the proof of
4 compliance shall be maintained in the vehicle by the
5 vehicle's registered owner at all times when the
6 vehicle is operated by any person other than the
7 vehicle's registered owner pursuant to the program;

8 (3) Collect, maintain, and make available to the vehicle's
9 registered owner, the primary automobile liability
10 insurer of the vehicle's registered owner, and any
11 government agency as required by law, at the cost of
12 the program, the following:

13 (A) Verifiable records that identify the date and
14 duration that the vehicle is under the control of
15 a person other than the vehicle's registered
16 owner pursuant to the program. For vehicles with
17 an electronic tracking device, verifiable
18 electronic records of the time, initial and final
19 locations of the vehicle, and miles driven when
20 the vehicle is under the control of a person
21 other than the vehicle's registered owner
22 pursuant to the program; and



1 (B) In instances where an insurance claim has been
2 filed, any and all information, including
3 payments to the registered owner by the program,
4 concerning accidents, damages, or injuries
5 arising out of personal vehicle sharing pursuant
6 to the program;

7 (4) Not knowingly permit the vehicle to be operated as a
8 rental or U-drive motor vehicle by a personal vehicle
9 sharing user pursuant to a personal vehicle sharing
10 program. For the purposes of this subparagraph,
11 "rental or U-drive motor vehicle" has the same meaning
12 as defined under section 286-2;

13 (5) Ensure that the shared motor vehicle is a private
14 passenger motor vehicle;

15 (6) Facilitate the installation, operation, and
16 maintenance of vehicle signage and computer hardware
17 and software, when requested by the vehicle owner,
18 necessary for the vehicle to be used in the program;

19 (7) Indemnify and hold harmless the vehicle's registered
20 owner for the cost of damage or theft of equipment
21 installed by the program under paragraph (6) and any



1 damage caused to the vehicle by the installation,
2 operation, or maintenance of the equipment;

3 (8) Prior to the first use of a vehicle in a program, and
4 upon renewal, cancellation, or change in motor vehicle
5 insurance by the program, provide the vehicle's
6 registered owner and any person operating the vehicle
7 pursuant to the program with a disclosure that
8 contains:

9 (A) Information explaining the requirements of this
10 section;

11 (B) Full and clear disclosure of the coverages and
12 coverage limits provided under the program motor
13 vehicle insurance policy;

14 (C) Notice that the vehicle owner's insurer has no
15 duty to defend or indemnify any person or
16 organization for liability for any loss that
17 occurs during use of the vehicle pursuant to a
18 program; and

19 (D) Notice that the vehicle owner or any person
20 operating the vehicle pursuant to the program may
21 have liability for claims that exceed the limits
22 of the program insurance policy.



1 This information shall be made available to the
2 vehicle owner's insurer upon the insurer's request.

3 § -3 Program liability. (a) Notwithstanding any
4 provision in a vehicle owner's motor vehicle insurance policy or
5 chapter 287, if any loss or injury occurs when the vehicle is
6 under the operation or control of a person other than the
7 vehicle's registered owner, pursuant to a program, or is
8 otherwise under the control of a program, the program shall
9 assume all liability of the vehicle owner and shall be
10 considered the vehicle owner for all purposes.

11 (b) Nothing in subsection (a) shall:

12 (1) Limit the liability of a program for any acts or
13 omissions by the program that result in injury to any
14 persons as a result of the use or operation of the
15 program; or

16 (2) Limit the ability of the program to, by contract, seek
17 indemnification from the vehicle's registered owner
18 for any claims paid by the program for any loss or
19 injury resulting from fraud or material intentional
20 misrepresentation by the vehicle's registered owner,
21 provided that the vehicle sharing program disclose in
22 the contract that:



- 1 (A) Limit the program's entitlement to seek
- 2 indemnification in these circumstances; and
- 3 (B) Provide that the registered owner's motor vehicle
- 4 insurance policy is not required to provide
- 5 defense or indemnification for any loss or injury
- 6 resulting from fraud or material intentional
- 7 misrepresentation.

8 (c) A program continues to be liable under subsection (a)

9 until the vehicle is returned to a location designated by the

10 program, as set forth in the contract between the registered

11 owner and the program; and

12 (1) The expiration of the time period established for the

13 vehicle occurs;

14 (2) The intent to terminate the vehicle's personal vehicle

15 sharing use is verifiably communicated to the program,

16 as set forth in the contract between the registered

17 owner and the program; or

18 (3) The vehicle's registered owner takes possession and

19 control of the vehicle.

20 (d) A program shall assume liability, including the costs

21 of defense and indemnification, for a claim in which a dispute



1 exists as to who was in control of a private passenger motor
2 vehicle when the loss giving rise to the claim occurred.

3 (e) The vehicle insurer shall indemnify the program to the
4 extent of the insurer's obligation under the owner's insurance
5 policy, if it is determined that the vehicle's registered owner
6 was in control of the vehicle at the time of the loss.

7 (f) If a private passenger motor vehicle's registered
8 owner is named as a defendant in a civil action for any loss or
9 injury that occurs when the vehicle is under the operation or
10 control of a person other than the vehicle's registered owner,
11 pursuant to a program, or is otherwise under the control of a
12 program, the program shall have the duty to defend and indemnify
13 the vehicle's registered owner.

14 § -4 **Owner's insurance liability.** Notwithstanding any
15 provision in the owner's motor vehicle insurance policy, while
16 the vehicle is under the operation or control of a person other
17 than the vehicle's registered owner, pursuant to a program, or
18 is otherwise under the control of a program:

19 (1) The insurer providing motor vehicle insurance coverage
20 to the owner of a private passenger motor vehicle may
21 exclude any coverage provided under the owner's
22 insurance policy; and



1 (2) A primary or excess insurer of the vehicle owner may
 2 notify an insured that the insurer has no duty to
 3 defend or indemnify any person or organization for
 4 liability for any loss that occurs during use of the
 5 vehicle pursuant to a program.

6 In order to exclude such coverage, the exclusion allowed in
 7 paragraph (1) and the notification allowed in paragraph (2) are
 8 not required for a policy that otherwise does not provide such
 9 coverages.

10 § -5 **Owner's insurance; termination; limited.** An
 11 owner's motor vehicle insurance policy for a private passenger
 12 motor vehicle may not be canceled, voided, terminated,
 13 rescinded, or nonrenewed solely on the basis that the vehicle
 14 has been made available for personal vehicle sharing pursuant to
 15 a program that is in compliance with the provisions of this
 16 chapter."

17 SECTION 2. This Act shall take effect upon its approval
 18 and shall apply to motor vehicle liability insurance policies
 19 issued or renewed after January 1, 2014.

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Mike Connell

INTRODUCED BY:

Cindy Evans
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~~[Signature]~~

Michelle



H.B. NO. 130

Report Title:

Personal Vehicle Sharing Program

Description:

Establishes a personal vehicle sharing program. Establishes distinguishing criteria to be considered a shared personal vehicle.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

