

Honolulu, Hawaii

MAR 03 2022

RE: S.B. No. 2444
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2444, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PEER-TO-PEER CAR-SHARING INSURANCE REQUIREMENTS,"

begs leave to report as follows:

The purpose and intent of this measure is to establish peer-to-peer car-sharing insurance requirements.

Your Committee received testimony in support of this measure from the Department of Transportation, Hawaii Insurers Council, American Property Casualty Insurance Association, and Hawaii Association for Justice. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and Turo Inc.

Your Committee finds that peer-to-peer car-sharing provides a number of benefits for individuals who do not own a car due to ownership costs or for other reasons. It also allows individuals to access a new solution to long-standing mobility needs, while also allowing car owners to earn passive income through sharing their unused vehicles. Peer-to-peer car-sharing is a relatively new activity that has grown exponentially in recent years, but lacks an appropriate insurance regulatory framework. Many consumers may be unaware that motor vehicle insurance coverage may not be in place for peer-to-peer car-sharing under their personal



insurance policies. Accordingly, this measure bridges certain gaps in insurance by establishing minimum insurance requirements for peer-to-peer car sharing.

Your Committee has amended this measure by:

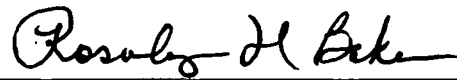
- (1) Clarifying the definition of "car-sharing start time" to mean when the shared car becomes subject to the control of the shared car driver at or after the time the reservation of a shared car is scheduled to begin, as documented in the records of a peer-to-peer car-sharing program;
- (2) Clarifying the definition of "car-sharing termination time" to mean the earliest of certain specified events and eliminating duplicative language;
- (3) Clarifying that the term "peer-to-peer car-sharing" means the authorized operation, use, or control of a motor vehicle by an individual other than the shared car's owner through a peer-to-peer car-sharing program, and further clarifying the term does not mean the business of a "lessor" as defined in section 437D-3, Hawaii Revised Statutes;
- (4) Clarifying the definition of "peer-to-peer car-sharing program" does not include a "lessor" as that term is defined in section 251-1 or section 437D-3, Hawaii Revised Statutes;
- (5) Clarifying the definition of "shared car" does not mean a rental motor vehicle as that term is used in sections 251-2 and 251-3, Hawaii Revised Statutes;
- (6) Specifying the primary insurance coverage requirement for each shared car available and used through a peer-to-peer car-sharing program to be in an amount not less than \$1,000,000 for death, bodily injury, and property damage per accident, in addition to other certain requirements of section 431:10C-103.5, Hawaii Revised Statutes, and further requiring insurers to offer certain optional coverages, which any shared car driver may elect or reject to purchase; and



- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2444, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2444, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



ROSALYN H. BAKER, Chair



