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OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Consumer Protection & Commerce
Friday, February 11, 2022
2:00 p.m.
Via Videoconference**

**On the following measure:
H.B. 1619, H.D. 1, RELATING TO PEER-TO-PEER CAR-SHARING INSURANCE
REQUIREMENTS**

Chair Johanson and Members of the Committee:

My name is Colin M. Hayashida, and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department offers comments on this bill.

The purpose of this bill is to establish peer-to-peer car-sharing insurance requirements.

We respectfully request the following amendments be made to align insurance coverage limits and protections to consumers with industries that have similar business models:

1. Section 2, p.6, line 19 to read as follows: "insured under a motor vehicle insurance policy issued by an admitted carrier that provides:"
2. Section 2, p. 6, line 20 to p. 7, line 3 to read as follows: "(1) Primary insurance coverage for each shared car available and used through a peer-to-peer car-sharing program in amounts no less than less than \$1,000,000 for

death, bodily injury, and property damage per accident, costs of defense outside such limits;"

(2) Personal injury protection coverage that meets the minimum coverage amount where required by section 431:10C-103.5;

(3) Insurers providing the motor vehicle insurance policies pursuant to this section shall offer the following optional coverages, which any shared car driver may elect to reject or purchase:

(A) Uninsured and underinsured motorist coverages as provided in section 431:10C-301, which shall be equal to the primary liability limits specified in this section and provided that uninsured and underinsured motorist coverage offers shall also provide for written rejection of the coverages as provided in section 431:10C-301;

(B) Uninsured and underinsured motorist coverage stacking options as provided in section 431:10C-301; provided that the offer of the stacking options shall also provide for written rejection as provided in section 431:10C-301; and

(C) An offer of required optional additional insurance coverages as provided in section 431:10C-302."

Thank you for the opportunity to testify on this bill.

TESTIMONY OF ALISON UEOKA

COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Representative Aaron Ling Johanson, Chair
Representative Lisa Kitagawa, Vice Chair

Friday, February 11, 2022
2:00 p.m.

HB 1619, HD1

Chair Johanson, Vice Chair Kitagawa, and members of the Committee on Consumer Protection and Commerce, my name is Alison Ueoka, President of the Hawaii Insurers Council. The Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately forty percent of all property and casualty insurance premiums in the state.

Hawaii Insurers Council supports this bill with amendments. This bill provides insurance requirements for Peer-to-Peer (P2P) activities. P2P programs and their users have been operating in Hawaii for several years. However, during the pandemic, there has been a large increase in activity in this area because there is a new car and rental car shortage. This shortage of vehicles is expected to last at least another two years. Meanwhile, consumers are renting personal vehicles on their own, i.e., without using a platform that provides insurance for rental vehicles. When this happens insurance coverage to protect accident victims will likely be inadequate if it exists at all. Additionally, the renter may not understand that there is no insurance coverage on the vehicle they are using.

HB 1619, HD1 provides a framework for insurance for P2Ps. Although there have been legislative measures introduced in the past to regulate this new industry and provide insurance requirements, none have passed to date. We believe insurance provisions are the most important consumer protection measure there is within the regulation of P2Ps.

The Legislature in 2016, enacted a similar insurance-only measure for Transportation Network Companies (TNC) and insurance laws have been on the books since then while regulation measures continue to be debated. The TNC laws have been tested through the years since enactment and have proven to close the gaps in coverage that existed prior to the law. We hope the same for this bill so that in the event someone is injured while engaging in P2P activity, there is a framework for insurance requirements and coverage.

Since the first hearing by the Committee on Transportation, we have met with the Insurance Commissioner and have reviewed his testimony submitted on this bill to which we have no objections to their suggested amendments, including having a licensed insurer provide P2P coverage and for those liability insurance limits to be no less than \$1,000,000.

We have also met with representatives from Turo and have considered their suggested amendments to HD1 of this bill. The following are our comments:

1. In the definitions section of the bill, Turo suggests amending “car-sharing start time” and “car-sharing termination time.” We oppose their amendments and ask that the language in HD1 remain. Their amendments narrow the coverage period during which P2P insurance would be required and could cause gaps in coverage.
2. In the insurance section of the bill on Page 6, line 16, Turo wishes to add language to the end of the section in their proposed subsections (d) and (e) which we also oppose as unnecessary and confusing.
3. Page 4, line 4 in subsection (5): There is a drafting error and the phrase should read as follows,

“(5) When the shared car owner...” not “driver.” We agree to this change.
4. Page 4, line 15, amend the definition of “Peer-to-peer car-sharing” means the authorized operation, use, or control...” We are neutral.

5. Page 4, line 18. Turo deletes, “For the purpose of assessing a vehicle surcharge tax” We are neutral.

6. Page 4, line 21, add this sentence to the end, “Peer-to-peer car-sharing” does not mean the business of a lessor as defined in section 437D-3.” We are neutral.

7. Page 5, line 20, add numbers (5) and (6),

“(5) A “lessor” as that term is defined in section 437D-3; or

(6) A “lessor” as that term is defined in section 251-1.” We are neutral.

8. Page 6, line 8, add a sentence to read, “Shared car does not mean a “rental motor vehicle” as that term is used in section 251-2 and section 251-3.” We are neutral.

9. Page 11, line 12 (d). While Turo suggests deleting the entire subsection (d), we instead recommend the following language that would allow recovery by a personal motor vehicle insurer who paid in good faith and later found that they were not on the risk,

“(d) A motor vehicle insurer that pays a shared-car owner for loss or damage to a shared car that is excluded under the comprehensive physical damage coverage or collision physical damage coverage of the shared car owner’s or shared car driver’s policy shall have the right to seek to recover from the peer-to-peer car-sharing program or its motor vehicle insurer if:

(1) The loss or damage to the shared car occurs during the car-sharing period; and

(2) The shared car owner or the shared car driver purchased comprehensive physical damage coverage or collision physical damage coverage, as applicable, from the peer-to-peer car-sharing program or its motor vehicle insurer.”

10. Page 12, line 12. Turo suggests adding a new section -7 on Exemption; vicarious liability. We are neutral.

Thank you for the opportunity to testify.



To: Representative Aaron Ling Johanson, Chair
Representative Lisa Kitagawa, Vice Chair
House Committee on Consumer Protection and Commerce

From: Mark Sektnan, Vice President

Re: **HB 1619 HD1 – Relating to Peer-to-Peer Car-Sharing Insurance Requirements**
APCIA Position: SUPPORT

Date: Friday, February 11, 2022
2:00 p.m., Via Videoconference

Aloha Chair Johanson, Vice Chair Kitagawa, and Members of the Committee:

The American Property Casualty Insurance Association of America (APCIA) is pleased to **support HB 1619 HD1** which would establish peer-to-peer car-sharing insurance requirements. Representing nearly 60 percent of the U.S. property casualty insurance market, the American Property Casualty Insurance Association (APCIA) promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. APCIA members represent all sizes, structures, and regions, which protect families, communities, and businesses in the U.S. and across the globe.

Peer-to-peer car sharing provides convenient, affordable, and environmentally friendly on-demand access to vehicles for those who do not own cars or for whom car ownership is cost prohibitive. It allows individuals to access a new solution to long standing mobility needs, while allowing car owners to earn passive income through sharing their vehicle, which otherwise may sit idle. The peer-to-peer car sharing transaction requires an appropriate insurance framework as is laid out in HB 1619 HD1.

For these reasons, APCIA asks for an “Aye” vote on HB 1619 HD1.



- Government Employees Insurance Company
- GEICO General Insurance Company
- GEICO Indemnity Company
- GEICO Casualty Company

TIMOTHY M. DAYTON, CPCU, GENERAL MANAGER ALASKA & HAWAII
711 Kapiolani Blvd., Suite 300 ■ Honolulu, HI 96813-5238 ■ Email: tdayton@geico.com
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COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Rep. Aaron Ling Johanson, Chair
Rep. Lisa Kitagawa, Vice Chair

Friday February 11, 2022

HB1619 HD1 Relating to Peer to Peer Car Sharing Insurance Requirements

Chair Johanson, Vice-Chair Kitagawa and Members of the House CPC:

My name is Timothy M. Dayton, General Manager of GEICO. GEICO provides car insurance for 182,000 Hawaii Families. As such, we handle a substantial number of claims involving car sharing. Most of these claims described fall under a standard disclaimer of coverage due to an exclusion in the policy of the insurer for the vehicle leased under a car sharing platform. Such disclaimers are standard and a necessary limitation on liability since the insurer must know the insured and the extent of risks involved in issuing a standard auto insurance policy. This situation often does not represent a significant cost to the insurance company, but it does often work against the consumer who seeks to utilize peer to peer car sharing programs. These consumers are often not advised or not aware that such exclusions are common and that additional steps must be taken to ensure that the consumer's actions while driving a car rented under the peer to peer car sharing are covered by auto insurance. Failure to account for this can result in significant loss to consumers. This is especially the case if the disclaimer is to the operator of the at fault vehicle which caused damage or serious injury to another party. This proposal which seeks to address this gap in protection is badly needed.

GEICO supports HB1619 and urges the Committee to pass this measure as a consumer protection.

Thank you for the opportunity to submit this testimony.

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy M. Dayton", with a long horizontal flourish extending to the right.

Timothy M. Dayton, CPCU



Testimony of

Tami Bui – Senior Government Affairs Manager

Turo Inc., San Francisco, CA

Comments to HB 1619 HD 1 February 11 , 2022

Chair Johanson, Vice Chair Kitagawa and Members of the House Committee on Consumer Protection & Commerce, I respectfully submit comments to **HB 1619 HD 1** on behalf of Turo.

Thank you for your leadership and continued efforts to establish a regulatory framework for peer-to-peer car sharing.

We appreciate the intent in HB 1619 to establish insurance requirements for peer-to-peer car sharing. As you know, Turo has been working alongside the legislature in support of various efforts to do just that, along with other vital consumer protections. We share the goal of creating clear, consistent insurance rules that establish important protections for peer-to-peer car sharing participants, insurers, platforms, and the general Hawai'i public.

Insurance Coverage Clarification

We respectfully would like to first offer some clarification on an issue related to oral and written testimony by the Hawaii Association for Justice (HAJ) regarding insurance coverage in Turo's transactions raised in the House Transportation Committee on February 4th and previously in the Senate Transportation Committee on February 3rd for SB 2444 (companion to HB 1619).

Turo does not advertise nor guarantee it will provide \$750,000 of liability coverage for guests (shared car drivers). Turo does, however, provide the state minimum coverage on all trips with options for shared car drivers to purchase additional coverage.

- **In the scenario where a third-party (e.g. a pedestrian) is injured by the shared vehicle and the host (shared car owner) is held liable for those injuries, then the \$750,000 policy would kick in to cover the host.**

- **If, however, the guest (shared car driver) is held liable in that same scenario, then that guest will receive the minimum amount of third-party liability coverage required by state law, unless that guest has purchased a higher coverage limit.**

Peer-to-peer car sharing is its own distinct business model, but the insurance calculation of risk on the road by someone driving a vehicle that is used for peer-to-peer car sharing is no different than the risk of driving a rental vehicle or an individual's own vehicle.

Unlike Transportation Network Companies (TNCs), peer-to-peer car sharing does not include a transaction in which a paying passenger is driven by a for-hire driver. Peer-to-peer car sharing involves a shared car owner sharing their vehicle with a shared car driver. As such, there is no increased risk in a sharing transaction as compared to a Hawaii driver driving their own car on a Hawaii roadway or a consumer driving a rental car. There is no need for increased limits as the risk profile of peer-to-peer car sharing is not comparable to TNCs. These higher limits should only apply when a for-hire driver is transporting a paying passenger, which is never the case with peer-to-peer car sharing.

Key areas of concern

In the spirit of collaboration, we had a productive meeting with the Hawaii Insurers Council (HIC) and look forward to further discussion as this session continues. We intend to provide a complete redline of all proposed changes. For now, we would like to discuss key areas for consideration as well as an explanation of those issues:

Vicarious Liability – Turo strongly supports inclusion of a statutory exemption from vicarious liability consistent with the existing exemption for rental car companies in federal law. Horizontal fairness supports extending these same protections to vehicle owners and car sharing platforms. The exemption would recognize, as a matter of State law, immunity from vicarious liability for shared vehicle owners and peer-to-peer car sharing platforms. This ensures a level playing field for rental car and peer-to-peer car sharing.

Updated definitions – We suggest updates to the current definitions of key terms including “peer-to-peer car sharing,” “peer-to-peer car sharing program,” and “car sharing termination time.” These changes reflect two key priorities for peer-to-peer platforms.

First, all definitions are intended to clarify that peer-to-peer car-sharing and the traditional car rental industry are two separate and mutually exclusive categories. This mitigates the risk of

any ambiguity as to what regulatory obligations apply to a given business and eliminates any risk of duplicative or conflicting requirements.

Second, we believe that amending the definition of “car sharing termination time” to change “earliest” to “latest” will unintentionally create an unworkable and internally inconsistent framework that extends obligations far beyond the intent of the legislation and reasonable concerns of regulators. By changing termination to the latest of the subclauses, the amendment effectively turns the subsequent clauses into a checklist, each of which must be met in order for the car sharing period to terminate. Some of these would clearly conflict such as the subsection (d) regarding a vehicle returned early. In that case, the sharing period would not terminate until all of the other conditions are met, including the expiration of the original car sharing agreement. In other instances, the “latest” amendment might unintentionally force a platform and/or host to retain coverage obligations even in situations involving a vehicle stolen by a guest.

We suggest reverting back to the original “earliest” requirement in order to ensure a workable framework. During the hearings, members raised concerns about a driver returning a vehicle late due to traffic or other unforeseen circumstances. However, subsection (1) of the definition requires that BOTH the sharing period as defined in the agreement AND the return of the vehicle to the agreed upon location be effected before the termination time is effective. We believe that the dual requirements of the existing subsection (1) satisfies the concerns.

Thank you for this opportunity to testify on HB 1619 and we are happy to provide additional information or clarification if needed.

February 11, 2022

The Honorable Aaron Ling Johanson
Chair, The House Committee on Consumer Protection & Commerce
Hawaii State Capitol Room 436

REGARDING: Testimony by Kekoa McClellan, Advocate for Getaround, offering
Comments to HB 1619

Aloha Chair Johanson, Vice-Chair Kitagawa, and Members of the House Committee on
Consumer Protection and Commerce,

Mahalo for the opportunity to discuss **HB 1619** regarding insurance regulations for
peer-to-peer car sharing on behalf of Getaround, a peer-to-peer car sharing company
that has recently started to operate in Hawaii with the intention of being a service for
locals, by locals as we are across the Continental United States

Getaround recognizes the importance of defining common sense insurance
requirements for those who want to utilize this important mobility option while protecting
consumers and the community. Peer-to-peer car sharing remains fundamentally
different in terms of who owns the cars, which if any taxes are paid on purchase, and
the nature of our hosts and customers. To this end, we look forward to discussing our
areas of concern in HB1619 as the process moves forward.

Getaround is excited to be operating in Hawaii and welcomes the opportunity to play our
part in making communities across Hawaii even better places to live and work. As you
consider HB 1619 and other legislation affecting carsharing, we look forward to being a
resource to you and working with all stakeholders and policymakers.

Mahalo for your consideration of our comments.

Me ka pono,



Kekoa McClellan
Advocate, Getaround

February 10, 2022

The Honorable Aaron Ling Johanson
Chair, The House Committee on Consumer Protection & Commerce
Hawaii State Capitol Room 436

REGARDING: Testimony by Soledad Roybal, Public Policy
Manager - Getaround, offering **Comments to HB 1619**

Aloha Chair Johanson, Vice-Chair Kitagawa, and Members of the House Committee on
Consumer Protection & Commerce,

I am pleased to submit comments with regard to **Comments to HB 1619** on behalf of
Getaround, a peer-to-peer car-sharing company that has recently started to operate in
Hawaii.

Getaround is poised to deliver unique benefits to individuals and communities across
Hawaii while being respectful of its residents and communities. Our patented Getaround
Connect technology enables vehicle owners to share their cars with those who choose
not to own a car, cannot afford a car, or need a different type of vehicle, without ever
having to wait in line or meet in person to hand over the keys.

This technology enables people to use a smartphone to book a car on demand 24/7, for
a period as short as one hour. Meanwhile, kama'aina car owners whose vehicles are
underutilized – on average, cars are idle 95% or more of the time – are able to earn
extra income.

We trust that the Chair and your committee members recognize the marked differences
between peer-to-peer carsharing, on the one hand, and traditional car rental or other
carsharing models, on the other hand. Peer-to-peer carsharing remains fundamentally
different in terms of who owns the cars, which if any taxes are paid on the purchase of
the vehicles, and the nature of our customers.

Getaround appreciates that HB 1619 recognizes the importance of facilitating access for
those who want to utilize this important mobility option while protecting consumers and
the community. We are supportive of clearly defining peer-to-peer car sharing platforms
and activities while ensuring consumer protections for vehicle owners and drivers,
including mandatory insurance coverages and liability insurance for every transaction,
and look forward to working with other stakeholders and legislators to create the best
legal framework for this industry in Hawaii.

Getaround is excited to be operating in Hawaii and welcomes the opportunity to play our
part in making communities across Hawaii even better places to live and work. As you



consider HB 1619 and other legislation affecting carsharing, we look forward to being a resource to you and working closely with you to ensure that car sharing is a viable option for your constituents both as hosts and guests.

Mahalo for your consideration of our comments.

Very Respectfully

Soledad Roybal
Public Policy Manager
Getaround

**TESTIMONY OF EVAN OUE ON BEHALF OF THE HAWAII
ASSOCIATION FOR JUSTICE (HAJ) IN SUPPORT WITH
COMMENTS TO HB 1619**

Date: Friday February 11, 2022

Time: 2:00 p.m.

My name is Evan Oue and I am presenting this testimony on behalf of the Hawaii Association for Justice (HAJ) in **SUPPORT WITH COMMENTS** on HB 1619, Relating to Peer-to-Peer Car Sharing Insurance Requirements. HAJ supports the intent of measure with comments to increase the required minimum amount of insurance coverage for car sharing on Peer-to-Peer car-sharing platforms to \$1,000,000.

Peer-to Peer Car Sharing is one of the fastest growing industries across the United States resulting in a wave of legislative efforts and lobbying. This trend has an impact on the insurance industry, the rent-a-car industry, state tax collectors, and of course the companies deriving revenue from Peer-to-Peer transactions. Most importantly, the rise of Peer-to-Peer impacts drivers, passengers and pedestrians injured in motor vehicle accidents on Hawaii's roadways. HB 1619 should be amended to insure their interests are taken into account, and therefore, HAJ recommends the following amendments.

HAJ's main concern that HB 1619 does not require a sufficient amount of minimum insurance coverage. Many automobiles licensed in Hawaii lose their state-mandated coverage when they are used in a Peer-to-Peer Car Share as individual motor vehicle policies typically exclude coverage for injuries arising from the use of an auto as a private rental car, taxi or UBER/LYFT.

HB 1619 proposes to bridge this gap in insurance by requiring that a car share platform provide minimum \$20,000 in liability and \$10,000 in property damage coverage under HRS § 431:10C-301. Therefore, the net effect of HB 1619 will be to reduce the amount and quality of

insurance protection currently available to people injured in motor vehicle accidents. Many vehicles are now insured for \$50,000, \$100,000, \$300,000 or more in bodily injury liability coverage, but these policies will now all be replaced with minimum limits of \$20,000. For example, if a doctor, who has a personal automobile insurance policy of \$1,000,000, uses the peer-to-peer car sharing program in Hawaii, his personal automobile policy may have an exclusion of coverage for peer-to-peer car sharing and so this doctor is now only covered by the \$20,000 insurance policy as required under HB 1619. The doctor thought he had sufficient insurance coverage to protect his assets in case of a collision, but because he used peer-to-peer car sharing in Hawaii he no longer has sufficient insurance protection. In order to protect, both the users of the Peer-to-Peer car sharing program, and the innocent victims of negligent drivers, it is important for Hawaii to require the Peer-to-Peer program to provide at least \$1,000,000 of insurance coverage.

HAI strongly recommends the require minimum liability coverage for Peer –to-Peer use be increased to \$1 million which is consistent with the required insurance coverage for Transportation Network Companies (TNC) under HRS 431:10C-703. Peer-to-Peer is an internet platform that operates in the same way as Uber/Lyft TNC using privately owned vehicles, thus, it should be treated in the same manner. In fact, Turo, the primary Peer-to-Peer internet platform, currently provides \$750,000 in liability insurance coverage with every rental in Hawaii and on the mainland through its own Turo Insurance Agency.

There is no rational basis for giving Hawaii residents who may be injured by a Turo rental vehicle the \$20,000 insurance coverage proposed in current draft of HB 1619. Essentially, the proposed \$20,000 limit lowers the current insurance Turo already provides in Hawaii and on the mainland by \$730,000 (from \$750,000 to \$20,000 per person with a maximum of \$40,000 per accident). Conversely, both Uber and Lyft provide \$1 million of insurance coverage for riders in Hawaii.

The minimum limit for Hawaii residents was set to accommodate the financial ability of all Hawaii citizens. It allows lower limits for lower income residents, such as the elderly on social security, and higher limit options for those with higher incomes. The minimum limit is set low as a practical matter to keep premiums affordable for all residents, not at a level sufficient to cover the cost of reasonably anticipated losses. Internet platform businesses however should be required to provide limits sufficient to cover the risks of injuries and damages of the business, as was done for UBER/LYFT vehicles.

Moreover, Peer-to-Peer companies, like Turo, are akin to TNCs such as UBER/ LYFT and are distinct from traditional U-Drive companies such as Avis, Hertz or Enterprise. Peer-to-Peer internet platforms have no vehicles of their own, they pass on all financial and legal expenses of vehicle ownership and operation to private individuals, including vehicle purchase or lease price, maintenance costs, registration and vehicle taxes, garage/parking space, inspections, cleaning between rentals, and arranging for pick-up and drop-off of vehicles. If a private owner fails to properly service or repair a car, that private owner is liable. A private owner is not likely to have the funds or additional insurance to cover this liability. Thus, Turo makes profits without bearing the risks or expenses of vehicle ownership.

In contrast, rental car companies: 1) own and pay for their vehicles; 2) maintain physical facilities at the airport and in town; 3) hire hundreds of workers statewide to check-in renters; 4) drive shuttles; 5) check rental cars as they leave the premises; 6) receive returns and check-out renters; 7) clean/wash and inspect vehicles after each rental; 8) employ mechanics to service and repair rental cars; and 9) drive cars to/from parking/storage lots among other tasks. U-Drive companies must comply with regulatory requirements for inspection, repair, and maintenance of traditional rental cars. Conversely, there is no actual control or supervision by Turo to ensure that vehicles it rents have been properly serviced or repaired.

In addition, all personal automobile insurance policies provide coverage and insurance protection for a driver renting from a traditional u-drive rental car company. However, many personal automobile insurance policies have an exclusion in coverage for peer-to-peer car sharing programs. This would leave the driver with the limited insurance coverage as provided by the Peer-to-Peer program. If Hawaii sets the insurance requirement at \$20,000, then any person with significant assets or income would potentially be exposed to personal liability because the insurance was not sufficient to protect his/her assets. Due to the gaps in insurance coverage relating to Peer-to-Peer car sharing, that is not present in a traditional u-drive car rental, it is imperative that Hawaii require at least \$1,000,000 in insurance coverage to protect all drivers.

Good public policy requires consistent treatment of internet platforms like Turo, Uber and Lyft. They are all afforded the benefits of operating as an internet platform, taking profits off the top while passing-on expenses and risks of owning and operating vehicles to private owners, and should be governed by the same required insurance protections. Without this necessary coverage the major risk of doing business would be placed on the public and not on the Peer-to-Peer company benefiting from the profit. Therefore, it is essential that Peer-to-Peer companies carry the same additional insurance coverage at a minimum of \$1 million consistent with the amount provided by TNCs like Uber/Lyft.

Accordingly, Section -2 (a) should be amended to read:

"(a) The following motor vehicle insurance requirements shall apply during each the car-sharing period:

(1) Primary motor vehicle liability insurance that provides at least \$1,000,000 for death, bodily injury, and property damage per accident, costs of defense outside such limits;

(2) Personal injury protection coverage that meets the minimum coverage amount where required by section 431:10C-103.5; and

(3) The coverage requirements of this subsection may be satisfied by any of the following:

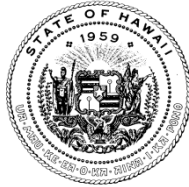
(A) A motor vehicle insurance policy maintained by the Shared car driver;

(B) A motor vehicle insurance policy maintained by the Peer-to- peer car-sharing program; or

(C) Any combination of subparagraphs (A) and (B).

Thank you for allowing us to testify regarding this measure. Please feel free to contact us should you have any questions or desire additional information.

DAVID Y. IGE
GOVERNOR



TESTIMONY BY:

JADE T. BUTAY
DIRECTOR

Deputy Directors
ROSS M. HIGASHI
EDUARDO P. MANGLALLAN
PATRICK H. MCCAIN
EDWIN H. SNIFFEN

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

February 11, 2022
2:00 P.M.
State Capitol, Teleconference

LATE

H.B. 1619, H.D. 1
RELATING TO PEER-TO-PEER CAR-SHARING INSURANCE REQUIREMENTS

House Committee on Consumer Protection & Commerce

The Department of Transportation (DOT) **supports** H.B. 1619, H.D. 1, which establishes peer-to-peer car-sharing insurance requirements.

The DOT believes that motor vehicle insurance requirements will increase traffic safety, and will not require additional funding to oversee the permit program.

Thank you for the opportunity to provide testimony.



February 10, 2022

Chairman Aaron Johanson
House Committee on Consumer Protection & Commerce
Hawaii State Capitol
415 South Beretania St.
Honolulu, HI 96813



Re: Oppose H.B. 1619 HD1 – PEER-TO-PEER CAR-SHARING INSURANCE REQUIREMENTS

Aloha Chairman Johanson and Committee Members:

On behalf of Avail, a peer-to-peer car sharing company and subsidiary of Allstate Insurance, we write today in opposition to H.B. 1619 HD1 regarding peer-to-peer car sharing insurance requirements, which is scheduled to be heard by your committee on February 11, 2022. We are appreciative of the committee's work on this issue and interest in protecting all parties involved in the car sharing process through the establishment of proper insurance requirements. However, we believe that the bill as amended fails to address critical issues necessary to fostering a safe and effective car sharing economy in Hawaii.

We believe a more appropriate approach to effectively regulating peer-to-peer car sharing would be to adopt language contained in the original drafting of H.B. 1971. This language has enjoyed support from insurers (including Allstate), peer-to-peer car sharing companies and the rental car industry in the past and we believe it to be the best solution to addressing the critical insurance and consumer protection issues related to car sharing. H.B. 1971 would establish clear and appropriate definitions detailing every aspect of the car sharing experience, create comprehensive insurance requirements ensuring there is never a gap in coverage and require strong disclosures, notices, and safety standards – all areas that we feel are not addressed adequately in H.B. 1619 HD1.

We understand that the legislature, government agencies, insurers and the car sharing industry have been hard at work for several years trying to resolve these issues and it is our sincere hope that we can continue these discussions and work towards a final bill that satisfies all concerns. Thank you again for this opportunity to raise our concerns with H.B. 1619 HD1 and we look forward to working together towards a solution we can all support.

Mahalo,

Jon Van Arsdell
Head of Government Relations
Avail