



DAVID Y. IGE  
GOVERNOR

JOSH GREEN  
LT. GOVERNOR

**STATE OF HAWAII  
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 Finance  
Tuesday, March 1, 2022  
11:00 a.m.  
Room 308 and Via Videoconference**

**On the following measure:  
H.B. 1619, H.D. 2, RELATING TO PEER-TO-PEER CAR-SHARING INSURANCE  
REQUIREMENTS**

Chair Luke 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.

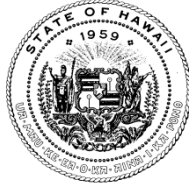
We note that the car sharing period definition and the start and stop time definitions in H.B. 1619, H.D. 2 are clear and prevent gaps in coverage. We also respectfully request the following amendments be made to ensure that the insurance coverage requirements under section 431:10C-B are primary to any personal motor vehicle coverage the shared car driver may have. Section 2, page 7, lines 8 to 12 should read as follows:

“(2) Primary insurance coverage for each shared car available and used through a peer-to-peer car-sharing program for 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, that any shared car driver may elect to reject or purchase that provides primary coverage for each shared car available and used through a peer-to-peer car-sharing program:”

Thank you for the opportunity to testify on this bill.

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

March 1, 2022  
11:00 A.M.  
State Capitol, Teleconference

**H.B. 1619, H.D. 2**  
**RELATING TO PEER-TO-PEER CAR-SHARING INSURANCE REQUIREMENTS**

House Committee on Finance

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The Department of Transportation (DOT) **supports** H.B. 1619, H.D. 2, 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.



Testimony of  
Tami Bui – Senior Government Affairs Manager  
Turo Inc., San Francisco, CA  
**Comments to HB 1619 HD 2** March 1 , 2022

Chair Luke, Vice Chair Kitagawa and Members of the House Committee on Finance, I respectfully submit comments to **HB 1619 HD 2** on behalf of Turo.

We appreciate the intent in this bill 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.

We look forward to the opportunity to work collaboratively alongside stakeholders to establish an insurance framework for peer-to-peer car sharing that supports Hawai'i residents who share their personal vehicles and consumers in need of mobility options.

**Areas of agreement and neutrality with Hawaii Insurers Council**

Turo recently submitted related redlines to the companion bill, SB 2444 SD 1, to the Senate Consumer Protection committee. The attached redlines reflect areas of agreement and neutrality with the Hawaii Insurers Council (HIC) and we ask for the same consideration.

This includes a statutory exemption from vicarious liability consistent with the existing exemption for rental car companies in federal law. In the last hearing of related bill HB 1971 HD1 in the House Consumer Protection Committee on 2/17/22, the committee amended that bill to specify that peer-to-peer car sharing programs and shared car owners are exempt from vicarious liability under any state or local law that imposes liability solely based upon motor vehicle ownership. This has been included in a related bill, HB 1971 HD 2, and we ask for this same consideration in the attached redlines in HB 1619 HD 2.

## **Definition of Car Sharing Termination**

During previous hearings, there was discussion regarding a driver who may return a car late due to traffic or other unforeseen circumstances. Subsection (1) of the definition already 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 these concerns.

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.

In the last hearing of the companion bill, SB 2444 SD 1, the Senate Consumer Protection committee noted acceptance of our redlines based on these concerns and the termination language was reverted back to the original “earliest” requirement. We ask for this same consideration in the attached redlines in HB 1619 HD 2.

## **Response to Insurance Commissioner Amendments**

### ***Insurance Coverage and comparison to TNCs***

As noted in the House Consumer Protection Committee hearing 2/17/22 on the related bill, HB 1971 HD 2, peer-to-peer car sharing is its own distinct business model, but the risk posed 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*. Thus, the level of required insurance coverage should not be 10x for peer-to-peer car sharing of what it is for individual policies or rental car policies. Chair Johanson noted the crux of the discussion is which of these profiles is most analogous to peer-to-peer car sharing.

While there have been comparisons made to \$1M coverage requirements in place for Transportation Network Companies (TNCs), the business model for peer-to-peer is completely different. Unlike 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. This is reflected in the significantly lower coverage requirements for periods when a TNC vehicle is not transporting a passenger. There is no factual or policy basis for the assumption that peer-to-peer car-sharing involves a greater risk than any other permissive use, including rental car. We ask that peer-to-peer car sharing should not be held to a different standard and that if minimums are increased in this bill they should apply to rental car companies as well.

No factual evidence for higher risk using car on peer-to-peer car sharing platforms:

To date, no one has produced any evidence to show that peer-to-peer cars are less safe than rental cars or personal cars used in any state or territory where we operate. There is no evidence of increased claims or increased payouts for peer-to-peer car sharing. These cars are already being used on the road in Hawaii. There is no factual or policy basis for the assumption that using a car on a peer-to-peer platform poses any greater risk than a driver driving a rental car or a car that a driver may have borrowed from a friend or family member from a Hawaii car owner.

No other state requires higher minimums where peer-to-peer laws have passed:

We do understand there may be a desire to create a baseline of coverage to ensure proper protections are in place in the marketplace. In the 19 states that have passed peer-to-peer car sharing laws, they do not require us to carry higher than state minimums.

### ***Admitted Insurer***

Additional amendments proposed by the Insurance Commissioner in hearings on related bills unfairly and unnecessarily limit the ability of a peer-to-peer program to acquire the essential insurance coverage required by this bill. The proposed amendments would require that the policy in place during the car sharing period may *only be issued by an admitted carrier*.

This attempts to impose a discriminatory requirement solely on the peer-to-peer car sharing industry that is far more onerous than current Hawaii law. We believe the language that was previously agreed to and included in related bill HB 1971, as introduced, on P. 7, Section 2, lines 13-15 regarding insurance coverage during car-sharing period ensures that any insurance would

be subject to existing Hawaii law and is more appropriate and consistent with Hawaii law and we would ask for its inclusion as reflected in the redlines.

***Additional coverage requirements***

Turo is deeply concerned that amendments imposing requirements related to mandatory insurance offerings that may be incompatible with our current business model and do not provide meaningful protections for shared car owners and drivers. Furthermore, Turo opposes efforts to place unfair and restrictive obligations on peer-to-peer car-sharing that are not currently imposed on analogous industries such as rental car. Additional comments on these issues are provided in our redline.

Turo is committed to ongoing efforts to actively contribute to Hawai'i's community and provide an option to residents who are in need of a car as well as those who share their car as a way to help them become financially stable.

We thank you for the opportunity to provide comments.

## TESTIMONY OF ALISON UEOKA

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COMMITTEE ON FINANCE  
Representative Sylvia Luke, Chair  
Representative Kyle T. Yamashita, Vice Chair

Tuesday, March 1, 2022  
11:00 a.m.

### **HB 1619, HD2**

Chair Luke, Vice Chair Yamashita, and members of the Committee on Finance, 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 strongly **supports** this bill. 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 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 requires 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, HD2 provides a much-needed framework for insurance for P2Ps.

Although there have been legislative measures introduced in past years 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.

We urge you to pass this measure. Thank you for the opportunity to testify.





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

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TIMOTHY M. DAYTON, CPCU, GENERAL MANAGER ALASKA & HAWAII  
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COMMITTEE ON FINANCE

Rep. Sylvia Luke, Chair  
Rep. Kyle T. Yamashita, Vice Chair

Tuesday March 1, 2022

**HB1619 HD2 Relating to Peer to Peer Car Sharing Insurance Requirements**

Chair Luke, Vice-Chair Yamashita and Members of the House Finance Committee:

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 EVAN OUE ON BEHALF OF THE HAWAII ASSOCIATION FOR JUSTICE (HAJ) IN SUPPORT OF HB 1619 HD2**

Date: Tuesday March 1, 2022

Time: 11:00 a.m.

My name is Evan Oue and I am presenting this testimony on behalf of the Hawaii Association for Justice (HAJ) in **SUPPORT** of HB 1619 HD2 - Relating to Peer-to-Peer Car Sharing Insurance Requirements. HAJ supports this measure as it mandates the required minimum amount of insurance coverage for car sharing on Peer-to-Peer car-sharing platforms to be no less than \$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 HD2 should be passed to ensure their interests are taken into account.

HAJ's appreciates the amendment made by the previous committee to require a sufficient amount of minimum insurance coverage of no less than \$1,000,000. 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. A minimum of \$1,000,000 in insurance coverage is crucial to ensuring there is no gap in coverage between the personal auto policy and the coverage for protecting drivers, passengers and pedestrians under the car sharing program. The amended language to require \$1,000,000 protects both the users of the Peer-to-Peer car sharing program, and the innocent victims of negligent drivers.

Although some Peer-to-Peer Car Share companies have opposed the \$1,000,000 minimum coverage and have instead propose the minimum requirement in HRS 431:10C-703, there are important reasons to keep the current language of the bill.

First, the minimum insurance amounts in HRS 431:10C-703 take into account not only the anticipated loss in a covered situation, but also the ability of Hawaii residents to pay the insurance premiums for the minimum amount of coverage. Financial ability should not be a factor considered to the same extent for commercial enterprises. The \$1,000,000 minimum is not likely a financial burden on Peer-to-Peer Car Share companies.

Second, some of the companies have testified that they currently maintain up to \$750,000 in minimum coverage for the car owners. It is unclear why the car owners are deserving of \$730,000 of additional coverage when drivers, passengers and pedestrians or other third parties would

only receive the minimum. It seems at the very least, pedestrians and other third parties injured by the owner's vehicle in Hawaii are in greater need of protection than the owner who is receiving a commercial benefit and may not even be located in the state.

Finally, other internet platform companies like UBER/LYFT have already agreed to the \$1,000,000 minimum coverage in similar regulations. Peer-to-Peer Car Share Companies are more akin to other internet platform companies because they 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. Thus, Peer-to-Peer Car Share companies are able to make profits without bearing the risks or expenses of vehicle ownership.

Accordingly, HAJ recommends the current language in Section 2(a) be maintained in order to protect Hawaii residents. 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.

Oral Testimony  
Before the Hawaii State House  
House Committee on Consumer Protection & Business.  
March 1, 2022  
By  
Soledad Roybal  
Public Policy Manager, Getaround

Aloha Chair Luke, Vice-Chair Kitagawa, and Members of the Committee on Finance.  
Mahalo for the opportunity to comment on House Bill 1619.

My name is Soledad Roybal, and I am a Public Policy Manager at Getaround, a fully digital and contactless car sharing marketplace that recently started to operate in Hawaii. Getaround uses patented technology to connect safe, convenient, and affordable cars with people who need them by the hour or day to live and work, allowing guests to book a wide variety of vehicles directly from our app, without ever having to meet anyone in person, carry an access card, wait in line, or coordinate picking up keys.

As I have previously testified, we applaud the intent of HB 1619 to recognize the importance of defining common sense insurance requirements for our industry and ensuring that your constituents can utilize this important mobility option while protecting consumers.

Unfortunately, over the course of the previous hearings, many of the concerns that have been expressed by Getaround and our competitor, Turo have not been addressed. We support the points made in Turo's written testimony and echo all the concerns that were raised with the details that they provide. The concerns include but are not limited to:

- Failure to expressly exempt shared car owners and car sharing platforms from vicarious liability
- Unintentionally creating an unworkable and inconsistent framework thru the definition of "car sharing termination time" defined as "latest" instead of "earliest" extending obligations far beyond the intent of the legislation
- Prohibiting surplus lines insurers from providing the required coverage
- Insurance coverage minimums that are 10x higher than those for rental cars and individual policies

Getaround is excited to be operating in your communities and we hope that like in other parts of the country our service will be there to make lives better by creating a new transportation option to run errands, spend time with family, and get to places that are challenging or inaccessible through public transit. With Getaround, local car owners can earn extra income by sharing their cars, as opposed to leaving them idle.

If the bill as currently drafted becomes law, operating in Hawaii may well be economically unfeasible, depriving kamaaina of an opportunity to both earn extra income and have an accessible, flexible transportation option.

I look forward to continuing this discussion with you and your colleagues and finding the best solutions for all stakeholders.

Mahalo for your consideration of our testimony.

**HB-1619-HD-2**

Submitted on: 2/28/2022 1:29:37 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Kekoa McClellan	Getaround	Oppose	Yes

Comments:

SEE ATTACHED COMMENTS

**HB-1619-HD-2**

Submitted on: 2/28/2022 5:21:25 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Simeon Grosse	Individual	Oppose	No

Comments:

Aloha Representatives,

I am a resident on Kauai who teaches at a small private school. In my spare time I rent two vehicles to guests who are visiting or locals in need of a vehicle. This extra income allows me to afford to rent my apartment and live comfortably with a high cost of living. My vehicles are covered with personal insurance and business insurance by the platform I use. The renter also must have insurance and can choose the option of having extra insurance just like a traditional rental company offers. My vehicles have 3 to 4 layers of insurance protecting the operator and others on the road. This bill is unnecessary and will cut low income individuals like me from being able to live here. I'm trying my best to make it financially and have worked hard to get where I am doing what I do for a living. I know teaching is not very lucrative but having an easier side job helps me stay and invest in the youth of Hawaii. Please consider the cost to individuals who are doing their best to contribute to the local economy not the large mainland rental car companies.

Mahalo for you consideration.



**HB-1619-HD-2**

Submitted on: 3/1/2022 7:09:57 AM

Testimony for FIN on 3/1/2022 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Jerod Strong	Individual	Oppose	No

Comments:

Aloha,

I am a Hawaii resident and I oppose this bill. I have been sharing cars for almost a year and 0 accidents. The renters know this is my personal vehicle are extra careful. The insurance provided by Turo is more than adequate and above what the state requires. The Turo platform allows me the extra income to pay my Bill's including high gas Bill's, putting food on the table for my family and paying my mortgage. I have never received a dime of unemployment, govt assistance of any kind. It would be a tragic mistake to pass this bill and would put me and others out of work and not allow me to pay my Bill's. Please do not pass this!!

Mahalo,

Jerod Strong

# HB 1619 IS ANOTHER GOVERNMENT TOOL TO PERSECUTE HAWIIAN CITIZENS

Aloha and Kakao.

This bill is yet another shot across the bow of Hawaiian citizens prosperity. This government which purports to want to uplift and support the citizens of this great state once again attacks the very livelihood of its citizens.

It seems every time the citizens of Hawaii find a way to make more money and provide for their families, the Government of Hawaii just tries to pull the sand out from under our feet.

Leasing out Assets should not just be the purview of the rich. Every man and woman should have right of control of their rightfully owed assets. This bill is specifically designed to remove that control from citizens and protect the rights of large corporations.

Do not be fooled, while taxation issues could be easily resolved, this bill is not designed to do that. It is designed to protect Large corporate rental car agencies.

New Jersey, St Louis Missouri, Florida, ETC. That is where the money goes when a tourist rents through the big car rental companies. This bill does nothing to stop tourists from coming It is specifically designed to protect the interests of big rental conglomerates who offer low wage jobs here in exchange for billions of revenues sent back to eastern America.

# HB 1619 IS ANOTHER GOVERNMENT TOOL TO PERSECUTE HAWAIIAN CITIZENS

HB 1619 directly chooses to protect large corporations which remove tourist money from our beautiful state and squash the right of citizens and kamaaina to try and raise their heads up and create a successful life for themselves and their families ( A poor citizen is an obedient citizen)

This bill is sand kicked in the face of every Hawaiian citizen who is battling inflation and a high cost of living in Hawaii. I am disgusted that this bill was even produced and presented.

The Hawaiian legislature needs to consider the rights of Hawaiian citizens over the rights of foreign companies with every ability they have!

Tourism is supposed to bring money to the islands and its residents. To support the families who live here, not the large companies of the super-rich who live abroad and on the mainland.

When you rent from a Turo host, that money stays on the island. It pays the salaries of restaurant workers and grocery workers, It pays the salaries of the babysitters and the employees that we work with. The money stays on the island! Not shipped off to Pennsylvania or New Jersey.

There is no proof or even a reason to think that the same persons who no longer rent from large corporations suddenly become worse drivers. In fact people who are more socially conscious tend to be more courteous drivers by nature.

Stop the madness! Stop persecuting the citizens of Hawaii in favor of large corporations who take Tourist dollars and ship the money back to the mainland and beyond.