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**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
Senate Committee on Commerce and Consumer Protection  
Wednesday, February 23, 2022  
9:30 a.m.  
Room 229 and Via Videoconference**

**On the following measure:  
S.B. 2444, S.D. 1, RELATING TO PEER-TO-PEER CAR-SHARING INSURANCE  
REQUIREMENTS**

**WRITTEN TESTIMONY ONLY**

Chair Baker 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 supports this bill with the amendments below.

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

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

1. § -2 (a) in section 2, page 6, line 17, to page 7, line 3 to read as follows: "(a) A peer-to-peer car-sharing program shall ensure that during each car-sharing period, the shared car shall be insured under a motor vehicle insurance policy issued by an admitted carrier that provides:

(1) Primary insurance coverage for each shared car available and used through a peer-to-peer car-sharing program in the amounts no less than \$1,000,000 for death, bodily injury, and property damage per accident, costs of defense outside such limits;

(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;

(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

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### COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Rosalyn H. Baker, Chair  
Senator Stanley Chang, Vice Chair

Wednesday, February 23, 2022  
9:30 a.m.

### **SB 2444, SD1**

Chair Baker, Vice Chair Chang, and members of the Committee on Commerce and Consumer Protection, 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 which seeks to impose insurance provisions for the Peer-to-peer car-sharing business. We believe it is time for insurance laws to be put in place since the level of activity in this new space has grown exponentially in recent years and consumers may be unaware that motor vehicle insurance coverage may not be in place for this activity from their personal insurer.

Recent discussion in hearings this Legislature have focused in part on the appropriate level of insurance coverage for this new use of personally-insured motor vehicles. Hawaii Insurers Council has no objection to increasing primary insurance coverage required for personal motor vehicles being used for Peer-to-peer activities to \$1 million for liability coverages. We also do not object to having that coverage be provided by an authorized or licensed insurer.

Thank you for the opportunity to testify.



Testimony of  
Tami Bui – Senior Government Affairs Manager  
Turo Inc., San Francisco, CA  
**Comments to SB 2444 SD 1** February 23, 2022

Chair Baker, Vice Chair Chang and Members of the Senate Committee on Commerce and Consumer Protection, I respectfully submit comments to **SB 2444 SD 1** on behalf of Turo.

We appreciate the intent in SB 2444 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 a regulatory 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**

Since the last hearing of SB 2444 in the Senate Transportation Committee on 2/3/22, Turo appreciated the opportunity to meet with the Hawaii Insurers Council (HIC) and are in agreement with a majority of the issues which relate to the insurance parts of this bill. The attached redlines reflect areas of agreement and neutrality.

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. We support its inclusion in SB 2444 SD 1.

## **Insurance Coverage comparison to TNCs**

There was discussion at the Senate Transportation committee hearing on 2/3/22 as well as the House Consumer Protection committee hearing on 2/11/22 on the House Companion bill, HB 1619 HD 1 and again on 2/17/22 for HB 1971 HD 1 related to insurance coverage.

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 higher 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, let alone 10x greater risk, than any other permissive use, including rental car. We maintain 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.

## **Definition of Car Sharing Termination**

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 continue to have concerns and suggest reverting back to the original “earliest” requirement but look forward to working on language to address this issue.

### **Response to Insurance Commissioner Amendments**

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 support its inclusion into SB2444 SD1.

Turo is deeply concerned that amendments imposing requirements related to coverage stacking and mandatory offerings 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.

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# A BILL FOR AN ACT

RELATING TO PEER-TO-PEER CAR-SHARING INSURANCE REQUIREMENTS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that peer-to-peer car-  
2 sharing programs, not rental car businesses, do not have  
3 established requirements for insurance coverage. These  
4 agreement-based car-sharing programs must ensure that cars in  
5 their programs are properly insured specifically for peer-to-  
6 peer car-sharing purposes.

7           The legislature further finds that it is in the public's  
8 interest to establish requirements for peer-to-peer car-sharing  
9 programs regarding mandatory insurance coverage.

10           Accordingly, the purpose of this Act is to establish  
11 mandatory insurance terms for peer-to-peer car-sharing programs.

12           SECTION 2. Chapter 431, article 10C, Hawaii Revised  
13 Statutes, is amended by adding a new part to be appropriately  
14 designated and to read as follows:

15                   "PART           .   PEER-TO-PEER CAR-SHARING INSURANCE

16           §   -1   Definitions. As used in this chapter:



1 "Car-sharing delivery period" means the period of time  
2 during which a shared car is being delivered to the location  
3 of the car-sharing start time, if applicable, as documented  
4 by the governing car-sharing program agreement.

5 "Car-sharing period" means the period of time that  
6 commences with the car-sharing delivery period or, if there  
7 is no delivery period, that commences with the car-sharing  
8 start time and, in either case, ends at the car-sharing  
9 termination time.

10 "Car-sharing program agreement" means the terms and  
11 conditions applicable to a shared car owner, a shared car  
12 driver, and a peer-to-peer car-sharing platform, if  
13 applicable, that govern the use of a shared car through a  
14 peer-to-peer car-sharing program. "Car-sharing program  
15 agreement" does not include a rental agreement as defined in  
16 section 437D-3.

17 "Car-sharing start time" means the time the shared car  
18 driver obtains operation, use, or control of a shared car  
19 through a peer-to-peer car-sharing program.

20 "Car-sharing termination time" means the latest of the  
21 following events:





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Number: 1 Author: jamesbangasser Subject: Highlight Date: 2/21/22, 10:53:09 AM

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Turo proposes replacing this language with the following definition. This change clarifies that a car-sharing program does not control or own any of the shared vehicle. Thus the driver does not obtain operation, use or control of the vehicle "through" a program. Furthermore, it reinforces the obligations on the program to maintain records documenting the start time. These records are necessary to determine coverage obligations.

"Car-sharing start time" means the time 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."

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Number: 2 Author: jamesbangasser Subject: Highlight Date: 2/21/22, 7:03:15 PM

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As noted in our testimony on HB 1619 HD 1 and HB 1971 HD 1 , 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 (c) regarding when the owner has taken back possession. 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.

While we continue to have concerns regarding the current language, we look forward to working with members on language to address this issue.

- 1 (1) The expiration of the agreed upon period of time  
2 established for the use of a shared car according to  
3 the terms of the car-sharing program agreement if  
4 the shared car is delivered to the location agreed  
5 upon in the car-sharing program agreement;
- 6 (2) When the shared car is returned to a location as  
7 alternatively agreed upon by the shared car owner  
8 and shared car driver as communicated through a  
9 peer-to-peer car-sharing program;
- 10 (3) When a shared car is returned to the location agreed  
11 upon in the car-sharing program agreement or  
12 alternatively agreed upon by the shared car owner  
13 and the shared car driver, as communicated through a  
14 peer-to-peer car-sharing program, before the  
15 expiration of the period of time established for the  
16 use of a shared car according to the terms of the  
17 car-sharing program agreement, and the shared car  
18 driver notifies the peer-to-peer car-sharing program  
19 of the location of the shared car;
- 20 (4) When a shared car, during the car-sharing period,  
21 cannot safely or legally be operated and the shared



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 Number: 1 Author: jamesbangasser Subject: Highlight Date: 2/21/22, 11:05:06 AM

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Turo suggests deleting this subsection. We believe that this scenario is duplicative of subsection 6.

1 car <sup>1</sup> driver notifies the peer-to-peer car-sharing  
2 program that the shared car is inoperable and  
3 identifies the location of the shared car;

4 (5) When the shared car <sup>2</sup> driver receives notice of a  
5 safety recall affecting the shared car and the  
6 shared car driver returns the shared car to the  
7 location agreed upon in the car-sharing agreement,  
8 or alternatively agreed upon by the shared car owner  
9 and the shared car driver, and the shared car driver  
10 notifies the peer-to-peer car-sharing program of the  
11 location of the shared car; or

12 (6) When the shared car owner or the shared car owner's  
13 authorized designee takes possession and control of  
14 the shared car.

15 "Peer-to-peer car-sharing" means <sup>3</sup> the operation, use, or  
16 control of a motor vehicle by an individual other than the  
17 motor vehicle's owner through a peer-to-peer car-sharing  
18 program. For the purposes <sup>4</sup> of assessing a vehicle surcharge  
19 tax, "peer-to-peer car-sharing" shall not mean the business  
20 of providing rental motor vehicles to the public as that  
21 phrase is used in section 251-3<sup>5</sup>



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**T** Number: 1 Author: jamesbangasser Subject: Highlight Date: 2/21/22, 11:03:03 AM

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**T** Number: 2 Author: jamesbangasser Subject: Highlight Date: 2/21/22, 10:54:42 AM

We believe that this a drafting error as drivers do not receive recall notices. We propose changing this to "owner."

HIC supports this change.

**T** Number: 3 Author: jamesbangasser Subject: Highlight Date: 2/21/22, 11:13:18 AM

Turo suggests including "authorized" before the word "operation." This ensures that a shared car driver must be permitted and authorized to use the vehicle by the owner.

HIC is neutral on this change.

**T** Number: 4 Author: jamesbangasser Subject: Highlight Date: 2/21/22, 11:02:30 AM

Turo supports striking this language. The intent of the legislation is to establish regulations for peer-to-peer car sharing. Any definitions should clarify that car sharing and other business models (rental car, TNC, etc.) are distinct for all purposes.

HIC is neutral on this change.

**T** Number: 5 Author: jamesbangasser Subject: Highlight Date: 2/21/22, 12:45:18 PM

Turo proposes adding the following language to the definition of peer-to-peer car-sharing.

HIC is neutral on this change.

""Peer-to-peer car-sharing" does not mean the business of a lessor as defined in section 437D-3."

1 "Peer-to-peer car-sharing program" means:

2 (1) Any person who enables a shared car driver to  
3 identify, reserve, or use a shared car owned by a  
4 shared car owner; or

5 (2) Any person who enables a shared car owner to  
6 describe, list, or make available a shared car for  
7 identification, reservation, or use by a shared car  
8 driver.

9 **Peer-to-peer car-sharing program** does not include:

10 (1) A "transportation network company" as defined in  
11 section 431:10C-701;

12 (2) A "car-sharing organization" as defined in section  
13 251-1;

14 (3) Any person registered and acting as a travel agency  
15 pursuant to chapter 468L; or

16 (4) Any person registered and acting as an activity desk  
17 pursuant to chapter 468M.

18 "Peer-to-peer car-sharing platform" means any person or  
19 business that owns or operates a peer-to-peer car-sharing  
20 program.



Turo supports adding two additional subsections to this definition.

HIC is neutral on these changes.

(5) A "lessor" as that term is defined in section 437D-3.

(6) A "lessor" as that term is defined in section 251-1.

1 "Shared Car" means a motor vehicle that is registered  
2 pursuant to chapter 286 and is not owned, controlled,  
3 operated, maintained, or managed by or registered, directly  
4 or indirectly through an affiliate, to the peer-to-peer car-  
5 sharing program and is available for sharing through a peer-  
6 to-peer car-sharing program. "Shared car" does not include a  
7 rental motor vehicle or vehicle as those terms are defined in  
8 section 437D-3.

9 "Shared car driver" means an individual who has been  
10 authorized to drive the shared car by the shared car owner  
11 under a car-sharing program agreement. "Shared car driver"  
12 does not include lessee as defined in section 437D-3.

13 "Shared car owner" means the registered owner of a shared  
14 car. "Shared car owner" does not include lessor as defined  
15 in section 437D-3.

16 § -2 Insurance coverage during car-sharing period.

17 (a) A peer-to-peer car-sharing program shall ensure that  
18 during each car-sharing period, the shared car shall be  
19 insured under a motor vehicle insurance policy that provides  
20 primary insurance coverage for each shared car available and  
21 used through a peer-to-peer car-sharing program in amounts no





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Number: 1 Author: jamesbangasser Subject: Highlight Date: 2/21/22, 11:31:52 AM

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Turo proposes adding a new sentence at the end of the definition of "shared car." This amendment would clarify that a shared car is not a rental car under HI law.

HIC is neutral on this language.

Shared car does not mean a "rental motor vehicle" as that term is used in section 251-2 and section 251-3.

1 less than the minimum amounts required under section  
2 431:10C-301 and does not exclude use of a shared car by a  
3 shared car driver.

4 (b) If insurance maintained by a shared car owner or  
5 shared car driver in accordance with subsection (a) has  
6 lapsed, contains an exclusion for peer-to-peer car-sharing,  
7 or does not provide the required coverage, insurance  
8 maintained by a peer-to-peer car-sharing program shall  
9 provide the coverage required by subsection (a) beginning  
10 with the first dollar of a claim and shall have the duty to  
11 defend such claim.

12 (c) Coverage under a motor vehicle insurance policy  
13 maintained by the peer-to-peer car-sharing program shall not  
14 be dependent on another motor vehicle insurer first denying a  
15 claim.

16 **§ -3 Exclusions in motor vehicle insurance policies.**

17 (a) Notwithstanding section -2, an authorized insurer  
18 that writes motor vehicle insurance in the State may exclude  
19 any and all coverage and the duty to defend or indemnify any  
20 claim afforded under a shared car owner's motor vehicle  
21 insurance policy during the car-sharing period, including:



Turo OPPOSES the amendments proposed by the Insurance commissioner that would:

1. Require that a policy 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. Under current law, the requirement is to solicit coverage from authorized insurers as a first resort. After several attempts to secure a quote from an authorized insurer, current Hawaii law allows entities, including current peer-to-peer car sharing companies, to secure coverage from the excess lines market. This amendment requires that the only possible provider of the mandated coverage is an authorized insurer. However, there is no provision to provide recourse for the circumstance when none of the authorized insurers offer a product that fits the requirement of the statute.

Given the platform must have the mandated coverage, if it may only come from an authorized insurer, which we are already obligated under the current law to attempt to secure coverage from first, the unavailability of the policy in Hawaii's authorized market would equate to a prohibition on peer-to-peer car sharing should the market not bear a quote for the mandated coverage. 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 support its inclusion into HB SB2444 SD1:

(b) In addition to the insurance coverage required by this section, insurers offering insurance through a peer-to-peer car-sharing program shall be subject to chapter 431.

2. Increase coverage requirements \$1million

As noted in the House Consumer Protection Committee hearings, 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. While there have been comparisons made to higher coverage requirements in place for Transportation Network Companies (TNCs), our business model 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, let alone 10x greater risk, than any other permissive use, including rental car. We maintain 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.

3. Require the platform to provide additional coverage categories beyond what is required of rental car and TNCs.

Turo is deeply concerned that amendments imposing requirements related to coverage stacking and mandatory offerings 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.

1 (1) Liability coverage for bodily injury and property  
2 damage;

3 (2) Personal injury protection coverage as set forth in  
4 section 431:10C-304;

5 (3) Uninsured and underinsured motorist coverage;

6 (4) Medical payments coverage;

7 (5) Comprehensive physical damage coverage; and

8 (6) Collision physical damage coverage.

9 (b) Except as required under section -2, nothing in  
10 this chapter shall invalidate or limit an exclusion contained  
11 in a motor vehicle insurance policy, including any insurance  
12 policy in use or approved for use that excludes coverage for  
13 motor vehicles made available for rent, sharing, or hire.

14 **§ -4 Recordkeeping; use of vehicle in car-sharing.** A  
15 peer-to-peer car-sharing program shall collect and verify  
16 records pertaining to the use of a shared car for each car-  
17 sharing program agreement, including:

18 (1) Dates and times of the car-sharing start time and  
19 the car-sharing termination time in the car-sharing  
20 program agreement;



- 1           (2) Dates and times of the car-sharing start time and  
2           car-sharing termination time;
- 3           (3) Itemized descriptions and amounts of all fees and  
4           costs charged to the shared car driver;
- 5           (4) Itemized descriptions and amounts of all fees and  
6           costs paid by the shared car driver;
- 7           (5) Itemized descriptions and amounts of all fees and  
8           costs paid to the shared car owner;
- 9           (6) The name and contact information of the shared car  
10          owner and the shared car driver; and
- 11          (7) The insurance policy number, effective date,  
12          coverage, and coverage amounts of each insurance  
13          policy that identifies the peer-to-peer car-sharing  
14          program, shared car owner, or shared car driver as  
15          the insured.

16          The peer-to-peer car-sharing program shall retain the  
17 records for a time period of no less than six years. Upon  
18 request, the peer-to-peer car-sharing program shall provide  
19 the information required by this section, and any information  
20 relating to the peer-to-peer car-sharing agreement in its  
21 possession and control, to the shared car owner, the shared



1 car owner's insurer, the shared car driver, the shared car  
2 driver's insurer, persons who have sustained injury or  
3 property damage involving a shared car, and police and other  
4 governmental entities to facilitate accident or claim  
5 coverage investigation.

6       **§ -5 Right of recovery from peer-to-peer car-sharing**  
7 **program or its motor vehicle insurer.** (a) A motor vehicle  
8 insurer that defends or indemnifies a liability claim against  
9 a shared car owner or a shared car driver that is excluded  
10 under the terms of the shared car owner's or shared car  
11 driver's policy shall have a right to seek to recover from  
12 the peer-to-peer car-sharing program or its motor vehicle  
13 insurer if the liability claim is made against the shared car  
14 owner or the shared car driver for injury or damage that  
15 occurs during the car-sharing period.

16       (b) A motor vehicle insurer that pays personal injury  
17 protection benefits for injury sustained by an occupant of,  
18 or by a pedestrian when struck by, a shared car when the  
19 obligation to pay personal injury protection benefits is  
20 excluded under the shared car owner's or shared car driver's  
21 policy shall have the right to seek to recover from the peer-



1 to-peer car-sharing program or its motor vehicle insurer if  
2 the injury occurs during the car-sharing period.

3 (c) A motor vehicle insurer that pays uninsured motorist  
4 benefits or underinsured motorist benefits for injury  
5 sustained by an occupant of a shared car when the obligation  
6 to pay uninsured motorist benefits or underinsured motorist  
7 benefits is excluded under the shared car owner's or shared  
8 car driver's policy shall have the right to seek to recover  
9 from the peer-to-peer car-sharing program or its motor  
10 vehicle insurer if the injury occurs during the car-sharing  
11 period.

12 (d) A motor vehicle insurer that pays a shared-car owner  
13 for loss or damage to a shared car that is excluded under the  
14 comprehensive physical damage coverage or collision physical  
15 damage coverage of the shared car owner's or shared car  
16 driver's policy shall have the right to seek to recover from  
17 the peer-to-peer car-sharing program or its motor vehicle  
18 insurer if the loss or damage to the shared car occurs during  
19 the car-sharing period.

20 § -6 Insurable interest. (a) Notwithstanding any  
21 other law or rule to the contrary, a peer-to-peer car-sharing



Turo supports replacing subsection D with new language proposed by the Hawaii Insurers Council:

“(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.”



1 program shall have an insurable interest in a shared car  
2 during the car-sharing period.

3 (b) In addition to the insurance coverage mandated by  
4 section -2, a peer-to-peer car-sharing program may own and  
5 maintain as the named insured one or more policies of motor  
6 vehicle insurance that provides coverage for:

7 (1) Liabilities assumed by the peer-to-peer car-sharing  
8 program under a peer-to-peer car-sharing program  
9 agreement;

10 (2) Any liability of the shared car owner; or

11 (3) Damage or loss to the shared car or any liability of  
12 the shared car driver.

13 § -7 Required disclosures and notices. For each  
14 shared car participating in a car-sharing program agreement,  
15 a peer-to-peer car-sharing program shall:

16 (1) Provide, prior to the execution of a car-sharing  
17 program agreement, the shared car owner and shared  
18 car driver with the terms and conditions of the car-  
19 sharing program agreement;

20 (2) Disclose to the shared car driver, prior to the  
21 execution of a car-sharing program agreement, all



1 costs or fees that are charged to the shared car  
2 driver under the car-sharing program agreement,  
3 including all costs or fees for mandatory insurance  
4 coverage charged by the peer-to-peer car-sharing  
5 program;

6 (3) Disclose to the shared car owner, prior to the  
7 execution of a car-sharing program agreement, all  
8 costs or fees that are charged to the shared car  
9 owner under the car-sharing program agreement,  
10 including fees or costs for mandatory insurance  
11 coverage charged by the peer-to-peer car-sharing  
12 program;

13 (4) Provide a twenty-four hour emergency telephone  
14 number for a person capable of facilitating roadside  
15 assistance for the shared car driver;

16 (5) Disclose any right of the peer-to-peer car-sharing  
17 program to seek indemnification from the shared car  
18 owner or the shared car driver for economic loss  
19 sustained by the peer-to-peer car-sharing program  
20 caused by a breach of the car-sharing program  
21 agreement; provided that the peer-to-peer car-



1 sharing program shall require the shared car owner  
2 and the shared car driver to specifically and  
3 separately acknowledge notice of the disclosure  
4 prior to execution of a car-sharing program  
5 agreement;

6 (6) Disclose that a motor vehicle insurance policy  
7 issued to the shared car owner for the shared car or  
8 to the shared car driver may not provide a defense  
9 or indemnification for any claim asserted by the  
10 peer-to-peer car-sharing program; provided that the  
11 peer-to-peer car-sharing program shall require the  
12 shared car owner and the shared car driver to  
13 specifically and separately acknowledge notice of  
14 the disclosure prior to execution of a car-sharing  
15 program agreement;

16 (7) Disclose that the peer-to-peer car-sharing program's  
17 insurance coverage on the shared car owner and the  
18 shared car driver is in effect only during each car-  
19 sharing period and that the shared car may not have  
20 insurance coverage for use of the shared car by the  
21 shared car driver after the car-sharing termination



1 time; provided that the peer-to-peer car-sharing  
2 program shall require the shared car owner and the  
3 shared car driver to specifically and separately  
4 acknowledge notice of the disclosure prior to the  
5 execution of a car-sharing program agreement;

6 (8) Disclose any insurance or protection package costs  
7 that are charged to the shared car owner or the  
8 shared car driver; provided that the peer-to-peer  
9 car-sharing program shall require the shared car  
10 owner and the shared car driver to specifically and  
11 separately acknowledge notice of the disclosure  
12 prior to the execution of a car-sharing program  
13 agreement;

14 (9) Disclose to the shared car driver any conditions in  
15 which the shared car driver is required to maintain  
16 a motor vehicle insurance policy as the primary  
17 coverage for the shared car; and

18 (10) Disclose that a shared car owner shall be permitted  
19 to obtain insurance that provides coverage for loss  
20 of use of a shared car."

21 SECTION 3. This Act shall take effect on July 1, 2050.



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 related bill HB 1971, as introduced, included language that 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. That language was removed from HB 1971 HD 1 and was not included in HB 1619 HD 2.

In the last hearing of related bill HB 1971 HD1 (Aquino) in the House Consumer Protection Committee, 2/17/22, the committee report reflected amendments to the measure 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.

We propose inclusion of the following language on P. 15, line 21:

“Section -, **Exemption; vicarious liability** - Consistent with title 49 of the United States Code section 30106, a peer-to-peer car-sharing program and a shared car owner shall be exempt from vicarious liability under any state or local law that imposes liability solely based on motor vehicle ownership.”

S.B. NO. 2444  
S.D. 1

**Report Title:**

Peer-to-Peer Car-Sharing; Insurance Requirements; Insurance Requirements

**Description:**

Establishes peer-to-peer car-sharing insurance requirements.  
Effective 7/1/2050. (SD1)

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



To:            Senator Rosalyn H. Baker, Chair  
                  Senator Stanley Chang, Vice Chair  
                  Senate Committee on Commerce and Consumer Protection.

From:         Mark Sektnan, Vice President

Re:            **SB 2444 SD1 – Relating to Peer-to-Peer Car-Sharing Insurance  
Requirements  
APCIA Position: Support**

Date:         Wednesday, February 23, 2022  
                  9:30 a.m., Via Videoconference

Aloha Chair Baker, Vice Chair Chang, and Members of the Committee:

The American Property Casualty Insurance Association of America (APCIA) is pleased to support SB 2444 SD1 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 SB 2444 SD1.

APCIA would request the committee to amend the effective date to be “by July 1, 2022.”

For these reasons, APCIA asks the committee to vote “Aye” on the bill.

**LATE**

**TESTIMONY OF EVAN OUE ON BEHALF OF THE HAWAII  
ASSOCIATION FOR JUSTICE (HAJ) IN SUPPORT WITH  
COMMENTS TO SB 2444 SD1**

Date: Friday February 11, 2022

Time: 1:00 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 SB 2444 SD1, 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. SB 2444 SD1 should be amended to insure their interests are taken into account, and therefore, HAJ recommends the following amendments.

HAJ's main concern that SB 2444 SD1 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.

SB 2444 SD1 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 SB 2444 SD1 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 SB 2444 SD1. 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 SB 2444 SD1. 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:

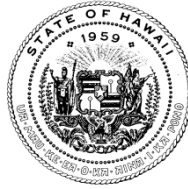
(A) A motor vehicle insurance policy maintained by the Shared car driver;

(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 23, 2022  
9:30 A.M.  
State Capitol, Teleconference



**S.B. 2444, S.D. 1**  
**RELATING TO PEER-TO-PEER CAR-SHARING INSURANCE REQUIREMENTS**

Senate Committee on Commerce and Consumer Protection

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The Department of Transportation (DOT) **supports** S.B. 2444, S.D. 1, which establishes peer-to-peer car-sharing insurance requirements.

The DOT believes that motor vehicle insurance requirements will increase protection for both drivers and passengers who use this service.

Thank you for the opportunity to provide testimony.