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## **An Act To Clarify Insurance Requirements under the Peer-to-peer Car Sharing Insurance Act**

**Emergency preamble.** Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

**Whereas,** current law requires a peer-to-peer car sharing program provider to provide property and casualty coverage, including comprehensive and collision protection, for physical loss to the shared vehicle during the time that the vehicle is in the custody of the provider or shared vehicle driver in an amount not less than the replacement cost of the shared vehicle beginning June 1, 2020; and

**Whereas,** this legislation allows a peer-to-peer car sharing program provider to provide satisfactory evidence of solvency and a financial ability to pay in lieu of property and casualty coverage, including comprehensive and collision protection; and

**Whereas,** this legislation must be enacted before June 1, 2020 so that both options are available to a peer-to-peer car sharing program provider; and

**Whereas,** in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

### **Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. 24-A MRSA §7403, sub-§4, ¶A,** as enacted by PL 2019, c. 367, §1, is amended by amending subparagraph (2) to read:

A. Procure insurance coverage of the shared vehicle during the car sharing period. At a minimum, the insurance must provide:

(1) Primary liability coverage for the shared vehicle owner and secondary liability coverage for the shared vehicle driver in an amount not less than 3 times the minimum requirements for liability in Title 29-A, section 1605; and

(2) Beginning June 1, 2020, property and casualty coverage, including comprehensive and collision protection, for physical loss to the shared vehicle during the time that the vehicle is in the custody of the provider or shared vehicle driver in an amount not less than the replacement cost of the shared vehicle. In lieu of property and casualty coverage, the provider may submit satisfactory evidence to the superintendent of solvency and financial ability to provide payment for physical loss to the shared vehicle as required in this subparagraph;

**Sec. 2. 24-A MRSA §7404, sub-§1,** as enacted by PL 2019, c. 367, §1, is amended to read:

**1. Provider liable as if owner.** Notwithstanding any provision of law to the contrary or any provision in a motor vehicle insurance policy, in the event a loss or injury occurs during a car sharing period or while a motor vehicle is under the control of a provider, the provider is deemed the owner of the motor vehicle under Title 29-A, section 1652 and any provision of law that may impose liability upon the owner of a motor vehicle solely based on ownership of the motor vehicle. The provider retains liability regardless of any lapse in the provider's policy or whether that liability is covered under the provider's policy or any other insurance policy under which the provider is insured. The liability of a provider under this subsection may not exceed 3 times the minimum requirements for liability in Title 29-A, section 1605.

**Sec. 3. 24-A MRSA §7404, sub-§3** is enacted to read:

**3. Fraud or material misrepresentation.** The assumption of liability in subsection 1 and the insurer's duty to defend and indemnify required in subsection 2 do not apply to a provider when a shared vehicle owner or shared vehicle driver commits intentional fraud or makes a material misrepresentation to the provider and the loss or injury during a car sharing period or while a motor vehicle is under the control of the provider resulted from the fraud or material misrepresentation.

**Sec. 4. 24-A MRSA §7405, sub-§3**, as enacted by PL 2019, c. 367, §1, is amended to read:

**3. Filing of rates and forms.** For the purposes of any insurance policy written in accordance with this section, the insurer shall file rates and forms with the superintendent for approval. For the purposes of any surplus lines insurance policy, the insurer shall file any information required by the superintendent necessary to determine compliance with this section.

**Emergency clause.** In view of the emergency cited in the preamble, this legislation takes effect when approved.

## SUMMARY

This bill makes the following changes to clarify the Peer-to-peer Car Sharing Insurance Act.

1. It allows a peer-to-peer car sharing program provider to provide satisfactory evidence of solvency and a financial ability to pay in lieu of comprehensive and collision insurance coverage.

2. It limits the liability of a peer-to-peer car sharing program provider for a loss or injury during a car sharing period or while a motor vehicle is under the control of a provider to no more than 3 times the State's minimum financial responsibility requirements.

3. It provides that a peer-to-peer car sharing program provider is not liable for a loss or injury during a car sharing period or while a motor vehicle is under the control of a provider and the insurer of such a provider does not have a duty to defend and indemnify a shared vehicle owner or shared vehicle driver when a shared vehicle owner or shared vehicle driver commits intentional fraud or makes a material misrepresentation to a provider and the loss or injury resulted from the fraud or material misrepresentation.

4. It clarifies that surplus lines insurance may be used.