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**TESTIMONY OF BENJAMIN YARDLEY**  
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**DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION**  
**Neither for nor Against L.D. 1420**  
**“An Act To Adopt the Peer-to-Peer Car Sharing Program Model Act”**  
**Presented by Senator Trey Stewart**  
**Before the Joint Standing Committee on Health Coverage, Insurance &**  
**Financial Services**  
**April 20, 2021 at 1:30 p.m.**

Senator Sanborn, Representative Tepler, and members of the Committee, I am Ben Yardley, Senior Attorney at the Bureau of Insurance. I am here today to testify neither for nor against L.D. 1420.

L.D. 1420 would replace the Peer-to-Peer Car Sharing Insurance Act with a model law from the National Council of Insurance Legislators. Although there are many similarities between current Maine statute and the proposed bill, there are important differences and overall we see the proposal as a relaxation of the existing regulations.



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One significant change that would be made by L.D. 1420 is eliminating the requirement that program providers procure comprehensive and collision coverage for rented vehicles. This requirement is apparently unique to Maine and fills a coverage gap created by common business use exclusions in personal auto policies.

L.D. 1420 would also lower a provider's responsibility for liability insurance to the Financial Responsibility law's minimum limits. Under the current law, providers must procure insurance to cover a driver's liability in an amount equal to three times the minimum limits under the financial responsibility law. L.D. 1420 would allow the coverage to be obtained by the vehicle owner, driver, or the program provider.

As currently written, the law appears to have contradictory language regarding the extent to which program providers are liable for the negligence of renters. One provision says that providers and owners are exempt from vicarious liability, while under another providers are "deemed the owner" of a rented vehicle and are liable for the renter's negligence.<sup>1</sup> L.D. 1420 would not make program providers vicariously liable, but would require them to assume liability by contract in an amount equal to the minimum limits under the financial responsibility law.

Thank you, I would be glad to answer any questions now or at the work session.

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<sup>1</sup> Compare 24-A M.R.S.A. § 7403(3) (stating that providers and owners are exempt from vicarious liability) with 24-A M.R.S.A. 7404(1) (stating that providers are "deemed the owner" of a rented vehicle and are liable for the renter's negligence).