



129th MAINE LEGISLATURE

SECOND REGULAR SESSION-2020

Legislative Document

No. 2027

S.P. 717

In Senate, January 14, 2020

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

(EMERGENCY)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Reference to the Committee on Health Coverage, Insurance and Financial Services suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator SANBORN, H. of Cumberland.
Cosponsored by Representative TEPLER of Topsham and
Senator: FOLEY of York.

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

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

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

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

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

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

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

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

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

29 **1. Provider liable as if owner.** Notwithstanding any provision of law to the
30 contrary or any provision in a motor vehicle insurance policy, in the event a loss or injury
31 occurs during a car sharing period or while a motor vehicle is under the control of a
32 provider, the provider is deemed the owner of the motor vehicle under Title 29-A, section
33 1652 and any provision of law that may impose liability upon the owner of a motor
34 vehicle solely based on ownership of the motor vehicle. The provider retains liability
35 regardless of any lapse in the provider's policy or whether that liability is covered under
36 the provider's policy or any other insurance policy under which the provider is insured.
37 The liability of a provider under this subsection may not exceed 3 times the minimum
38 requirements for liability in Title 29-A, section 1605.

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

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

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

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

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

16 **SUMMARY**

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

- 19 1. It allows a peer-to-peer car sharing program provider to provide satisfactory
 20 evidence of solvency and a financial ability to pay in lieu of comprehensive and collision
 21 insurance coverage.
- 22 2. It limits the liability of a peer-to-peer car sharing program provider for a loss or
 23 injury during a car sharing period or while a motor vehicle is under the control of a
 24 provider to no more than 3 times the State's minimum financial responsibility
 25 requirements.
- 26 3. It provides that a peer-to-peer car sharing program provider is not liable for a loss
 27 or injury during a car sharing period or while a motor vehicle is under the control of a
 28 provider and the insurer of such a provider does not have a duty to defend and indemnify
 29 a shared vehicle owner or shared vehicle driver when a shared vehicle owner or shared
 30 vehicle driver commits intentional fraud or makes a material misrepresentation to a
 31 provider and the loss or injury resulted from the fraud or material misrepresentation.
- 32 4. It clarifies that surplus lines insurance may be used.