

House Bill 2380

Sponsored by Representative MARSH (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires insurance coverage for motor vehicles made available as part of peer-to-peer car sharing arrangement. Specifies coverage requirements and apportions responsibility for coverage among peer-to-peer car sharing program operator, shared vehicle owner and shared vehicle driver.

Requires certain disclosures to shared vehicle owner and shared vehicle driver in car sharing program agreement. Requires shared vehicle owner to address recall notices for defects that affect safety of shared vehicle.

A BILL FOR AN ACT

1
2 Relating to peer-to-peer car sharing arrangements; creating new provisions; and repealing ORS
3 742.585, 742.590, 742.595 and 742.600.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Sections 2 to 14 of this 2021 Act are added to and made a part of ORS**
6 **chapter 742.**

7 **SECTION 2. As used in sections 2 to 14 of this 2021 Act:**

8 (1) "Car sharing period" means a period of time that begins at the time a shared vehicle
9 begins delivery to the location in which the shared vehicle will become subject to the control
10 of a shared vehicle driver and ends at the car sharing termination time unless the car
11 sharing program agreement provides otherwise, in which case the car sharing period begins
12 and ends as provided in the car sharing program agreement.

13 (2)(a) "Car sharing program agreement" means the terms and conditions that set forth
14 the duties of a shared vehicle owner and a shared vehicle driver with respect to use of a
15 shared vehicle under a peer-to-peer car sharing arrangement.

16 (b) "Car sharing program agreement" does not include a lease or a contract or other
17 agreement to rent a motor vehicle from a car rental company, as defined in ORS 803.219.

18 (3) "Car sharing termination time" means the time at which the earliest of the following
19 events occurs:

20 (a) A shared vehicle driver delivers a shared vehicle to a location specified in a car
21 sharing program agreement after the expiration of the period during which the shared vehi-
22 cle driver may use the shared vehicle under the terms and conditions of the car sharing
23 program agreement;

24 (b) A shared vehicle driver delivers a shared vehicle to a location that the shared vehicle
25 owner specifies, with the agreement of the shared vehicle driver, by means of a peer-to-peer
26 car sharing program; or

27 (c) The shared vehicle owner, or a designee of the shared vehicle owner, takes possession
28 and control of the shared vehicle.

29 (4)(a) "Peer-to-peer car sharing arrangement" means a motor vehicle owner's authori-

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 zation for another person to use the motor vehicle under the terms and conditions of a car
 2 sharing program agreement that is communicated by means of a peer-to-peer car sharing
 3 program.

4 (b) "Peer-to-peer car sharing arrangement" does not include leasing a motor vehicle or
 5 renting a motor vehicle from a car rental company, as defined in ORS 803.219.

6 (5) "Peer-to-peer car sharing program" means a method by which, for consideration, an
 7 owner of a motor vehicle can authorize another person to use the motor vehicle under the
 8 terms and conditions of a car sharing program agreement.

9 (6) "Peer-to-peer car sharing program operator" means a person that owns and engages
 10 in the business of operating a peer-to-peer car sharing program for use by residents of this
 11 state.

12 (7)(a) "Shared vehicle" means a motor vehicle that a shared vehicle owner makes avail-
 13 able for use under the terms and conditions of a car sharing program agreement and by
 14 means of a peer-to-peer car sharing program.

15 (b) "Shared vehicle" does not include a motor vehicle that a car rental company, as de-
 16 fined in ORS 803.219, rents or makes available for rent.

17 (8) "Shared vehicle driver" means an individual who has authorization to drive a shared
 18 vehicle under the terms and conditions of a car sharing program agreement with a shared
 19 vehicle owner who communicated the authorization by means of a peer-to-peer car sharing
 20 program.

21 (9) "Shared vehicle owner" means the registered owner of a motor vehicle who makes the
 22 motor vehicle available for sharing under the terms and conditions of a car sharing program
 23 agreement and communicates the availability of the motor vehicle by means of a peer-to-peer
 24 car sharing program, or a designee of the registered owner that the registered owner au-
 25 thORIZES to make the motor vehicle available for sharing as described in this subsection.

26 **SECTION 3.** (1)(a) Except as provided in subsection (2) of this section, in the absence of
 27 a motor vehicle insurance policy that covers a shared vehicle owner and a shared vehicle
 28 driver during a car sharing period, a peer-to-peer car sharing program operator, on behalf
 29 of a shared vehicle owner, shall:

30 (A) Assume liability for bodily injury to other persons and for damage to the property
 31 of other persons;

32 (B) Provide uninsured motorist coverage, as defined in ORS 742.500; and

33 (C) Provide personal injury protection benefits to the shared vehicle driver.

34 (b) The peer-to-peer car sharing program agreement between a shared vehicle owner and
 35 a peer-to-peer car sharing program operator governs the limits of the liability and coverage
 36 described in paragraph (a) of this subsection, except that the limits of liability and the cov-
 37 erage must comply with the financial responsibility requirements specified in the Oregon
 38 Vehicle Code.

39 (2) Except to the extent that the financial responsibility provisions of the Oregon Vehicle
 40 Code require otherwise, the duties of a peer-to-peer car sharing program operator under
 41 subsection (1)(a) of this section do not apply if:

42 (a) A shared vehicle owner makes an intentional or fraudulent misrepresentation or
 43 omission with respect to a material provision in a peer-to-peer car sharing program agree-
 44 ment before the car-sharing period in which a loss occurs; or

45 (b) A shared vehicle owner acts in concert with a shared vehicle driver in failing to re-

1 turn a shared vehicle in accordance with the provisions of the peer-to-peer car sharing pro-
2 gram agreement.

3 (3)(a) A peer-to-peer car sharing program operator shall ensure a motor vehicle liability
4 insurance policy covers a shared vehicle owner and a shared vehicle driver during a car
5 sharing period and:

6 (A) Provides primary coverage;

7 (B) Provides the coverages described at the amounts described in subsection (1) of this
8 section;

9 (C) Acknowledges that the motor vehicle that the motor vehicle liability insurance policy
10 covers is a shared vehicle that is available to persons other than the shared vehicle owner
11 under a peer-to-peer car sharing arrangement; and

12 (D) Does not exclude a shared vehicle driver's use of the shared vehicle.

13 (b) A peer-to-peer car sharing program operator meets the requirement set forth in
14 paragraph (a) of this subsection if:

15 (A) A shared vehicle owner or a shared vehicle driver maintains a motor vehicle liability
16 insurance policy with the required coverage;

17 (B) The peer-to-peer car sharing program operator maintains a motor vehicle liability
18 insurance policy with the required coverage; or

19 (C) The motor vehicle liability insurance policies that two or more of the persons de-
20 scribed in subparagraphs (A) and (B) of this paragraph maintain combine to provide the re-
21 quired coverage.

22 (4)(a) Subject to paragraph (c) of this subsection, a peer-to-peer car sharing program
23 operator shall assume primary liability for a claim if the peer-to-peer car sharing program
24 operator provides the motor vehicle liability insurance policy required under subsection (3)
25 of this section, in whole or in part, and:

26 (A) A dispute exists as to who controlled the shared vehicle at the time of a loss; and

27 (B) The peer-to-peer car sharing program operator does not have available, did not retain
28 or fails to provide the information required under section 7 of this 2021 Act.

29 (b) Except under the circumstances described in subsection (2) of this section, the peer-
30 to-peer car sharing program operator shall provide coverage under the peer-to-peer car
31 sharing program operator's motor vehicle liability insurance policy beginning with the first
32 dollar of a claim, and shall defend against the claim, if the shared vehicle owner's or the
33 shared vehicle driver's motor vehicle liability insurance policy has lapsed or does not provide
34 the coverage required under subsection (3) of this section.

35 (c) The insurer that provides a motor vehicle liability insurance policy to a shared vehicle
36 owner shall indemnify the peer-to-peer car sharing program operator to the extent of the
37 insurer's obligation under the motor vehicle liability insurance policy if the shared vehicle
38 owner controlled the shared vehicle at the time of the loss.

39 (5) Coverage under a motor vehicle liability insurance policy that covers a shared vehicle
40 may not require as a condition of coverage that another insurer first deny a claim.

41 **SECTION 4.** Sections 2 to 14 of this 2021 Act do not:

42 (1) Limit the liability of a peer-to-peer car sharing program operator for any act or
43 omission by the peer-to-peer car sharing program operator that, through use of a shared
44 vehicle by means of a peer-to-peer car sharing program, results in an injury to a person or
45 to property; or

1 (2) Limit a peer-to-peer car sharing program operator's ability to seek by contract
 2 indemnification from a shared vehicle owner or shared vehicle driver for economic losses
 3 that the peer-to-peer car sharing program operator suffers as a result of a shared vehicle
 4 owner's or shared vehicle driver's breach of a car sharing program agreement.

5 **SECTION 5.** Before a shared vehicle owner makes a shared vehicle available for use by
 6 means of a peer-to-peer car sharing program, the peer-to-peer car sharing program operator
 7 shall notify the shared vehicle owner that use of a shared vehicle against which another
 8 person has a lien, including use as part of a peer-to-peer car sharing arrangement or without
 9 insurance coverage for physical damage to the shared vehicle, might violate the terms of the
 10 shared vehicle owner's contract with the lienholder.

11 **SECTION 6.** (1) An authorized insurer that issues motor vehicle liability insurance in this
 12 state may exclude any and all coverage under, and the duty to defend or indemnify any claim
 13 made under, a motor vehicle liability insurance policy in which the insured is a shared ve-
 14 hicle owner including, but not limited to:

- 15 (a) Liability coverage for bodily injury and property damage;
- 16 (b) Personal injury protection coverage under ORS 742.518 to 742.542;
- 17 (c) Uninsured and underinsured motorist coverage under ORS 742.500 to 742.506;
- 18 (d) Medical payments coverage;
- 19 (e) Comprehensive physical damage coverage; and
- 20 (f) Collision physical damage coverage.

21 (2) This section does not limit or invalidate an exclusion, including an exclusion of cov-
 22 erage for motor vehicles made available for rent, sharing or hire or for a business use, in
 23 any motor vehicle liability policy, including an existing motor vehicle liability policy or a
 24 motor vehicle liability policy approved for use in this state.

25 **SECTION 7.** A peer-to-peer car sharing program operator shall collect and verify records
 26 of each use of a shared vehicle during a car sharing period and shall retain the records for
 27 at least two years. The peer-to-peer car sharing program operator shall make the records
 28 available to the shared vehicle owner and to insurers that issued motor vehicle liability in-
 29 surance policies to the shared vehicle owner or the shared vehicle driver for the purposes
 30 of investigating a claim. The records must include, at a minimum:

- 31 (1) Information about the times in which a shared vehicle driver used the shared vehicle;
- 32 (2) The fees that the shared vehicle driver paid;
- 33 (3) The revenue that the shared vehicle owner received from use of the shared vehicle;
- 34 (4) The name and address of each shared vehicle driver; and
- 35 (5) The driver license number of each shared vehicle driver and the state that issued the
 36 driver license.

37 **SECTION 8.** The protection from liability for owners of motor vehicles that rent or lease
 38 the motor vehicle to other persons that is set forth in 49 U.S.C. 30106 applies in this state
 39 to shared vehicle owners and to peer-to-peer car sharing program operators.

40 **SECTION 9.** An insurer that defends against or indemnifies a claim against a shared ve-
 41 hicle owner under a motor vehicle liability insurance policy that excludes coverage for the
 42 claim may seek contribution against the insurer that issued a motor vehicle liability insur-
 43 ance policy to a peer-to-peer car sharing program operator if:

- 44 (1) The claim is against the shared vehicle owner or the shared vehicle driver for a loss
 45 or injury that occurs during a car sharing period; and

1 (2) The motor vehicle liability insurance policy that the insurer issued to the peer-to-peer
2 car sharing program operator excludes coverage for the claim.

3 **SECTION 10.** (1) Notwithstanding any other law to the contrary, a peer-to-peer car
4 sharing program operator has an insurable interest in a shared vehicle during a car sharing
5 period.

6 (2) A peer-to-peer car sharing program operator may be a named insured in one or more
7 motor vehicle liability insurance policies with coverage for:

8 (a) Liabilities that the peer-to-peer car sharing program operator assumes under a
9 peer-to-peer car sharing program agreement;

10 (b) Any liability of a shared vehicle owner or shared vehicle driver; or

11 (c) Damage or loss with respect to a shared vehicle.

12 **SECTION 11.** A car sharing program agreement must disclose to a shared vehicle owner
13 and a shared vehicle driver:

14 (1) Whether a peer-to-peer car sharing program operator has any right to seek
15 indemnification from the shared vehicle owner or shared vehicle driver for economic loss
16 that the peer-to-peer car sharing program operator suffers as a result of a breach of the
17 terms and conditions of the car sharing program agreement;

18 (2) Whether the motor vehicle liability insurance policy an insurer issues to a shared
19 vehicle owner or shared vehicle driver defends against or indemnifies a claim the peer-to-
20 peer car sharing program operator may assert against the shared vehicle owner or shared
21 vehicle driver;

22 (3) That the insurance coverage a peer-to-peer car sharing program operator has for
23 shared vehicles is in effect only during car sharing periods and that the shared vehicle owner
24 and shared vehicle driver may not have insurance coverage for any use of the shared vehicle
25 after the car sharing termination time;

26 (4) The daily or hourly rate and fees for use of the shared vehicle, along with any insur-
27 ance costs or other costs that the shared vehicle owner or shared vehicle driver must pay;

28 (5) That the shared vehicle owner's motor vehicle liability insurance policy might not
29 cover use of the shared vehicle as part of a peer-to-peer car sharing arrangement;

30 (6) An emergency telephone number the shared vehicle owner or shared vehicle driver
31 can use for roadside assistance or customer service; and

32 (7) Any conditions under which a shared vehicle driver must maintain a motor vehicle
33 liability insurance policy with specified primary coverage limits in order to participate in a
34 peer-to-peer car sharing arrangement.

35 **SECTION 12.** A peer-to-peer car sharing program operator may not enter into a car
36 sharing program agreement with an individual unless the individual is 18 years of age or
37 older and:

38 (1) Has a driver license issued in this state or another state or country that authorizes
39 the individual to operate vehicles in the same class as the shared vehicle the individual will
40 operate under the car sharing program agreement; or

41 (2) Has other authorization from the Department of Transportation to drive vehicles in
42 the same class as the shared vehicle the individual will operate under the car sharing pro-
43 gram agreement.

44 **SECTION 13.** A peer-to-peer car sharing program operator has sole responsibility for
45 equipment the peer-to-peer car sharing program operator has installed in a shared vehicle

1 and uses to facilitate or monitor the shared vehicle during a car sharing period and shall
 2 agree to indemnify and hold harmless the shared vehicle owner for damage to or theft of the
 3 equipment that the shared vehicle owner did not cause. A peer-to-peer car sharing program
 4 operator may charge and collect from a car sharing driver the costs of any damage to or loss
 5 of the equipment that occurs during the car sharing period and may enforce the charges by
 6 bringing an action to recover the costs from the car sharing driver or seek an indemnity
 7 from the car sharing driver if the peer-to-peer car sharing program operator's insurer pays
 8 the costs.

9 **SECTION 14.** (1) Before entering into a car sharing program agreement with an individ-
 10 ual who intends to make the individual's motor vehicle available as part of a peer-to-peer car
 11 sharing arrangement, a peer-to-peer car sharing program operator shall verify that the mo-
 12 tor vehicle that the individual will make available does not have any recalls for defects af-
 13 fecting the safety of the shared vehicle that the individual has not had repaired. If the motor
 14 vehicle is subject to a recall and the individual has not made a repair to address the defect
 15 that prompted the recall, the peer-to-peer car sharing program operator shall notify the in-
 16 dividual that the individual may not make the motor vehicle available as part of a peer-to-
 17 peer car sharing arrangement until the individual repairs the defect.

18 (2) A shared vehicle owner who receives actual notice of a recall for a defect that affects
 19 the safety of a shared vehicle that the shared vehicle owner has made available as part of a
 20 peer-to-peer car sharing arrangement shall, as soon as practicable, remove the shared vehi-
 21 cle from availability and may not make the shared vehicle available again until the shared
 22 vehicle owner has had the defect repaired.

23 (3) If a shared vehicle owner receives actual notice of a recall for a defect that affects
 24 the safety of a shared vehicle that is in the possession of a shared vehicle driver, the shared
 25 vehicle owner shall, as soon as practicable, notify the shared vehicle driver and the peer-to-
 26 peer car sharing program operator of the recall and ask to end the car sharing period and
 27 repossess the shared vehicle in order to have the defect repaired.

28 **SECTION 15.** ORS 742.585, 742.590, 742.595 and 742.600 are repealed.
 29 _____