

**Substitute for SENATE BILL No. 282**

By Committee on Financial Institutions and Insurance

2-25

1 AN ACT concerning transportation; relating to peer-to-peer vehicle  
2 sharing; insurance requirements; liability; recordkeeping; consumer  
3 protection; enacting the peer-to-peer vehicle sharing program act.  
4

5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. Sections 1 through 13, and amendments thereto, shall be  
7 known and may be cited as the peer-to-peer vehicle sharing program act.

8 Sec. 2. As used in this act:

9 (a) "Act" means the peer-to-peer vehicle sharing program act.

10 (b) "Peer-to-peer vehicle sharing" means the authorized use of a  
11 shared vehicle by an individual other than the shared vehicle's owner  
12 through a peer-to-peer vehicle sharing program. "Peer-to-peer vehicle  
13 sharing" does not mean rental or lease of a motor vehicle for purposes of  
14 K.S.A. 79-5117, and amendments thereto.

15 (c) "Peer-to-peer vehicle sharing program" means a business platform  
16 that connects vehicle owners with drivers to enable the sharing of vehicles  
17 for financial consideration. "Peer-to-peer vehicle sharing program" does  
18 not mean a rental car company.

19 (d) "Vehicle sharing program agreement" means the terms and  
20 conditions applicable to a shared vehicle owner, a shared vehicle driver  
21 and a peer-to-peer vehicle sharing program that govern the use of a shared  
22 vehicle through a peer-to-peer vehicle sharing program. "Vehicle sharing  
23 program agreement" does not mean a rental car agreement.

24 (e) "Shared vehicle" means a vehicle that is available for sharing  
25 through a peer-to-peer vehicle sharing program. "Shared vehicle" does not  
26 mean rental car or rental vehicle.

27 (f) "Shared vehicle driver" means an individual who has been  
28 authorized to drive the shared vehicle by the shared vehicle owner under a  
29 vehicle sharing program agreement.

30 (g) "Shared vehicle owner" means the registered owner, or a person  
31 or entity designated by the registered owner, of a vehicle made available  
32 for sharing to shared vehicle drivers through a peer-to-peer vehicle sharing  
33 program.

34 (h) "Vehicle sharing delivery period" means the period of time during  
35 which a shared vehicle is being delivered to the location of the vehicle  
36 sharing start time, if applicable, as documented by the governing vehicle

1 sharing program agreement.

2 (i) "Vehicle sharing period" means the period of time that commences  
3 with the vehicle sharing delivery period or, if there is no vehicle sharing  
4 delivery period, that commences with the vehicle sharing start time and, in  
5 either case, that ends at the vehicle sharing termination time.

6 (j) "Vehicle sharing start time" means the time when the shared  
7 vehicle becomes subject to the control of the shared vehicle driver at or  
8 after the time the reservation of a shared vehicle is scheduled to begin as  
9 documented in the records of a peer-to-peer vehicle sharing program.

10 (k) "Vehicle sharing termination time" means the earliest of the  
11 following events:

12 (1) The expiration of the agreed-upon period of time established for  
13 the use of a shared vehicle according to the terms of the vehicle sharing  
14 program agreement if the shared vehicle is delivered to the location agreed  
15 upon in the vehicle sharing program agreement;

16 (2) when the shared vehicle is returned to a location as alternatively  
17 agreed upon by the shared vehicle owner and shared vehicle driver as  
18 communicated through a peer-to-peer vehicle sharing program; or

19 (3) when the shared vehicle owner or the shared vehicle owner's  
20 authorized designee takes possession and control of the shared vehicle.

21 Sec. 3. (a) Except as provided in subsection (b), a peer-to-peer  
22 vehicle sharing program shall assume liability of a shared vehicle owner  
23 for bodily injury or property damage to third parties for uninsured and  
24 underinsured motorist or personal injury protection losses during the  
25 vehicle sharing period in amounts stated in the peer-to-peer vehicle sharing  
26 program agreement that shall not be less than those set forth in K.S.A. 40-  
27 3107, and amendments thereto.

28 (b) Notwithstanding the definition of "vehicle sharing termination  
29 time" as defined in section 2, and amendments thereto, the assumption of  
30 liability under subsection (a) shall not apply to any shared vehicle owner  
31 when:

32 (1) A shared vehicle owner makes an intentional or fraudulent  
33 material misrepresentation or omission of fact to the peer-to-peer vehicle  
34 sharing program before the vehicle sharing period in which the loss  
35 occurred; or

36 (2) acting in concert with a shared vehicle driver who fails to return  
37 the shared vehicle.

38 (c) Notwithstanding the definition of "vehicle sharing termination  
39 time" as defined in section 2, and amendments thereto, the assumption of  
40 liability under subsection (a) shall apply to bodily injury, property damage,  
41 uninsured and underinsured motorist or personal injury protection losses  
42 by damaged third parties as required by K.S.A. 40-3107, and amendments  
43 thereto.

1 (d) A peer-to-peer vehicle sharing program shall ensure that, during  
2 each vehicle sharing period, the shared vehicle owner and the shared  
3 vehicle driver are insured under a motor vehicle liability insurance policy  
4 that provides insurance coverage in amounts not less than the minimum  
5 amounts set forth in K.S.A. 40-3107, and amendments thereto, and the  
6 policy:

7 (1) Recognizes that the vehicle insured under the policy has been  
8 made available as a shared vehicle and is used through a peer-to-peer  
9 vehicle sharing program; or

10 (2) does not exclude use of the vehicle by a shared vehicle driver.

11 (e) The insurance described under subsection (d) may be satisfied by  
12 motor vehicle liability insurance maintained by:

13 (1) A shared vehicle owner;

14 (2) a shared vehicle driver;

15 (3) a peer-to-peer vehicle sharing program; or

16 (4) (A) a shared vehicle owner or a shared vehicle driver; and

17 (B) a peer-to-peer vehicle sharing program.

18 (f) The insurance described under subsection (e) that satisfies the  
19 insurance requirement of subsection (d) shall be primary during each  
20 vehicle sharing period.

21 (g) (1) The peer-to-peer vehicle sharing program shall assume  
22 primary liability for a claim when it is in whole or in part providing the  
23 insurance required under subsections (d) and (e) and:

24 (A) A dispute exists as to who was in control of the shared vehicle at  
25 the time of the loss; and

26 (B) the peer-to-peer vehicle sharing program does not have available,  
27 did not retain or fails to provide the information required under section 6,  
28 and amendments thereto.

29 (2) The shared vehicle's insurer shall indemnify the peer-to-peer  
30 vehicle sharing program to the extent of its obligation under, if any, the  
31 applicable insurance policy, if it is determined that the shared vehicle's  
32 owner was in control of the shared vehicle at the time of the loss.

33 (h) If insurance maintained by a shared vehicle owner or shared  
34 vehicle driver in accordance with subsection (e) has lapsed or does not  
35 provide the required coverage, then insurance maintained by a peer-to-peer  
36 vehicle sharing program shall provide the coverage required by subsection  
37 (d) beginning with the first dollar of a claim and shall have the duty to  
38 defend such claim except under circumstances described in subsection (b).

39 (i) Coverage under a motor vehicle liability insurance policy  
40 maintained by the peer-to-peer vehicle sharing program shall not be  
41 dependent on another motor vehicle insurer first denying a claim nor shall  
42 another motor vehicle insurance policy be required to first deny a claim.

43 (j) Nothing in this section shall be construed to:

1 (1) Limit the liability of the peer-to-peer vehicle sharing program for  
2 any act or omission of the peer-to-peer vehicle sharing program itself that  
3 results in injury to any person as a result of the use of a shared vehicle  
4 through the peer-to-peer vehicle sharing program; or

5 (2) limit the ability of the peer-to-peer vehicle sharing program to  
6 contractually seek indemnification from the shared vehicle owner or the  
7 shared vehicle driver for economic loss sustained by the peer-to-peer  
8 vehicle sharing program resulting from a breach of the terms and  
9 conditions of the vehicle sharing program agreement.

10 Sec. 4. Between the time that a vehicle owner registers as a shared  
11 vehicle owner on a peer-to-peer vehicle sharing program and the time that  
12 the shared vehicle owner makes a vehicle available as a shared vehicle on  
13 the program, the program shall notify the shared vehicle owner that if the  
14 shared vehicle has a lien against it, the use of the shared vehicle through a  
15 peer-to-peer vehicle sharing program, including use without physical  
16 damage coverage, could violate the terms of the contract with the  
17 lienholder.

18 Sec. 5. (a) An authorized insurer that writes motor vehicle liability  
19 insurance in the state may exclude any and all coverage and the duty to  
20 defend or indemnify for any claim afforded under a shared vehicle owner's  
21 motor vehicle liability insurance policy, including, but not limited to:

- 22 (1) Liability coverage for bodily injury and property damage;  
23 (2) personal injury protection coverage as defined in K.S.A. 40-3103,  
24 and amendments thereto;  
25 (3) uninsured and underinsured motorist coverage;  
26 (4) medical benefits coverage as defined in K.S.A. 40-3103, and  
27 amendments thereto;  
28 (5) comprehensive physical damage coverage; and  
29 (6) collision physical damage coverage.

30 (b) Nothing in this section invalidates or limits an exclusion  
31 contained in a motor vehicle liability insurance policy, including any  
32 insurance policy in use or approved for use, that excludes coverage for  
33 motor vehicles made available for rent, sharing, hire or any business use.

34 Sec. 6. A peer-to-peer vehicle sharing program shall collect and  
35 verify records pertaining to the use of a vehicle, including, but not limited to,  
36 times used, fees paid by the shared vehicle driver and revenues  
37 received by the shared vehicle owner. The program shall provide such  
38 information upon request to the shared vehicle owner, the shared vehicle  
39 owner's insurer or the shared vehicle driver's insurer to facilitate a claim  
40 coverage investigation. The peer-to-peer vehicle sharing program shall  
41 retain such records for a period of time not less than the applicable  
42 personal injury statute of limitations.

43 Sec. 7. A peer-to-peer vehicle sharing program and a shared vehicle

1 owner shall be exempt from vicarious liability in accordance with 49  
2 U.S.C. § 30106 and under any state or local law that imposes liability  
3 based solely on vehicle ownership.

4 Sec. 8. A motor vehicle insurer that defends or indemnifies a claim  
5 against a shared vehicle that is excluded under the terms of its policy shall  
6 have the right to seek contribution against the motor vehicle insurer of the  
7 peer-to-peer vehicle sharing program if the claim is:

8 (1) Made against the shared vehicle owner or the shared vehicle  
9 driver for loss or injury that occurs during the vehicle sharing period; and

10 (2) excluded under the terms of its policy.

11 Sec. 9. (a) Notwithstanding any other law, statute, rule or regulation  
12 to the contrary, a peer-to-peer vehicle sharing program shall have an  
13 insurable interest in a shared vehicle during the vehicle sharing period.

14 (b) Nothing in this section shall be construed to require that a peer-to-  
15 peer vehicle sharing program maintain the coverage mandated by section  
16 3, and amendments thereto.

17 (c) A peer-to-peer vehicle sharing program may own and maintain as  
18 the named insured one or more policies of motor vehicle liability insurance  
19 that provides coverage for:

20 (1) Liabilities assumed by the peer-to-peer vehicle sharing program  
21 under a peer-to-peer vehicle sharing program agreement;

22 (2) any liability of the shared vehicle owner;

23 (3) damage or loss to the shared motor vehicle; or

24 (4) any liability of the shared vehicle driver.

25 Sec. 10. (a) Every vehicle sharing program agreement made in the  
26 state of Kansas shall disclose the following information to the shared  
27 vehicle owner and the shared vehicle driver, as appropriate:

28 (1) Any right of the peer-to-peer vehicle sharing program to seek  
29 indemnification from the shared vehicle owner or the shared vehicle driver  
30 for economic loss sustained by the peer-to-peer vehicle sharing program  
31 resulting from a breach of the terms and conditions of the vehicle sharing  
32 program agreement;

33 (2) a motor vehicle liability insurance policy issued to the shared  
34 vehicle owner for the shared vehicle or to the shared vehicle driver does  
35 not provide a defense or indemnification for any claim asserted by the  
36 peer-to-peer vehicle sharing program;

37 (3) the peer-to-peer vehicle sharing program's insurance coverage on  
38 the shared vehicle owner and the shared vehicle driver is in effect only  
39 during each vehicle sharing period and that, for any use of the shared  
40 vehicle by the shared vehicle driver after the vehicle sharing termination  
41 time, the shared vehicle driver and the shared vehicle owner may not have  
42 insurance coverage;

43 (4) the daily rate, fees and, if applicable, any insurance or protection

1 package costs that are charged to the shared vehicle owner or the shared  
2 vehicle driver;

3 (5) the shared vehicle owner's motor vehicle liability insurance may  
4 not provide coverage for a shared vehicle; and

5 (6) there may be conditions under which a shared vehicle driver must  
6 maintain a personal motor vehicle liability insurance policy with certain  
7 applicable coverage limits on a primary basis in order to reserve a shared  
8 motor vehicle.

9 (b) Every vehicle sharing program agreement made in the state of  
10 Kansas shall also provide an emergency telephone number to personnel  
11 capable of fielding roadside assistance and other customer service  
12 inquiries.

13 Sec. 11. (a) A peer-to-peer vehicle sharing program shall not enter  
14 into a peer-to-peer vehicle sharing program agreement with a driver unless  
15 the driver who will operate the shared vehicle:

16 (1) Holds a driver's license issued by the state of Kansas that  
17 authorizes the driver to operate vehicles of the class of the shared vehicle;

18 (2) is a nonresident who:

19 (A) Has a driver's license issued by the state or country of the driver's  
20 residence that authorizes the driver in that state or country to drive  
21 vehicles of the class of the shared vehicle; and

22 (B) is at least the legal age required of a resident to drive in the state  
23 of Kansas; or

24 (3) otherwise is specifically authorized by the state of Kansas to drive  
25 vehicles of the class of the shared vehicle.

26 (b) A peer-to-peer vehicle sharing program shall maintain a record of  
27 the name, address, driver's license number and place of issuance of the  
28 driver's license of the shared vehicle driver and every other person, if any,  
29 who will also drive the shared vehicle.

30 Sec. 12. A peer-to-peer vehicle sharing program shall have sole  
31 responsibility for any equipment, such as a GPS system or other special  
32 equipment, that is installed in or on the shared vehicle to monitor or  
33 facilitate the vehicle sharing transaction, and shall agree to indemnify and  
34 hold harmless the shared vehicle owner for any damage to or theft of such  
35 equipment during the vehicle sharing period not caused by the shared  
36 vehicle owner. The peer-to-peer vehicle sharing program shall have the  
37 right to seek indemnity from the shared vehicle driver for any loss or  
38 damage to such equipment that occurs during the sharing period.

39 Sec. 13. (a) After the time that a vehicle owner registers as a shared  
40 vehicle owner on a peer-to-peer vehicle sharing program but before the  
41 time that the shared vehicle owner makes a vehicle available as a shared  
42 vehicle on the peer-to-peer vehicle sharing program, the peer-to-peer  
43 vehicle sharing program shall:

1 (1) Verify that the shared vehicle does not have any safety recalls for  
2 which repairs correcting the safety recalls have not been made; and

3 (2) notify the shared vehicle owner of the requirements under  
4 subsection (b).

5 (b) (1) If a vehicle owner has received an actual notice of a safety  
6 recall on the owner's vehicle, the owner may not make such vehicle  
7 available as a shared vehicle on a peer-to-peer vehicle sharing program  
8 until the safety recall repair has been made.

9 (2) If a shared vehicle owner receives an actual notice of a safety  
10 recall on a shared vehicle while the shared vehicle is available on the peer-  
11 to-peer vehicle sharing program, the shared vehicle owner shall remove  
12 the shared vehicle from the peer-to-peer vehicle sharing program as soon  
13 as practicable after receiving the notice of the safety recall and shall not  
14 replace such vehicle on the peer-to-peer vehicle sharing program until the  
15 safety recall repair has been made.

16 (3) If a shared vehicle owner receives an actual notice of a safety  
17 recall while the shared vehicle is being used and is in the possession of a  
18 shared vehicle driver, as soon as practicable after receiving the notice of  
19 the safety recall, the shared vehicle owner shall notify the peer-to-peer  
20 vehicle sharing program about the safety recall so that the shared vehicle  
21 owner may address the safety recall repair.

22 Sec. 14. This act shall take effect and be in force from and after  
23 January 1, 2021, and its publication in the statute book.