

Personal Vehicle Sharing (CA)

This Act prohibits a private passenger motor vehicle from being classified for insurance purposes as a commercial, for-hire, or permissive use vehicle, or livery solely on the basis that it is being used for personal vehicle sharing if the annual revenue received by the vehicle's owner that is generated by personal vehicle sharing does not exceed the annual expenses of owning and operating the vehicle. That includes, but is not limited to, depreciation, interest, lease payments, automobile loan payments, insurance, maintenance, parking, and fuel, and the fact that the personal vehicle sharing is conducted pursuant to a personal vehicle sharing program.

The bill defines a personal vehicle sharing program as a legal entity qualified to do business in the state that facilitates personal vehicle sharing. The bill requires a personal vehicle sharing program, among other things, during all times that the vehicle is engaged in personal vehicle sharing, to provide insurance coverage, and collect, maintain, and make available to the vehicle owner and the vehicle owner's primary automobile liability insurer verifiable electronic records identifying the date, time, initial and final locations of the vehicle, and miles driven when it is being used as part of the personal vehicle sharing program.

The Act limits the circumstances under which the vehicle owner's automobile liability insurance can be subject to liability, and requires that automobile insurance policies not be canceled, voided, terminated, rescinded, or not renewed solely on the basis that the private passenger motor vehicle has been made available for personal vehicle sharing. It authorizes the insurer of the vehicle to exclude any and all coverage afforded under the vehicle owner's automobile insurance policy while the vehicle is used by a person other than the owner as part of a personal vehicle sharing program, and provides the primary and excess insurers of owners, operators, and maintainers of the vehicle with the right to inform the insured that it has no duty to defend or indemnify any person or organization for liability for any loss that occurs during use of the vehicle in a personal vehicle sharing program.

Submitted as:

California

[Chapter 454](#)

Status: Enacted into law in 2010.

Suggested State Legislation

(Title, enacting clause, etc.)

1 Section 1. [*Short Title.*] This Act shall be cited as “An Act to Address Personal Vehicle
2 Sharing.”

3
4 Section 2. [*Personal Vehicle Sharing.*]

5 (a) For purposes of this section the following definitions apply:

6 (1) “Personal vehicle sharing” means the use of private passenger motor vehicles by
7 people other than the vehicle's owner, in connection with a personal vehicle sharing program.

8 (2) “Personal vehicle sharing program” means a legal entity qualified to do business
9 in [this state] engaged in the business of facilitating the sharing of private passenger vehicles for
10 noncommercial use by people within the state.

11 (3) “Private passenger motor vehicle” means a vehicle that is insured, or is subject to
12 being insured, under a personal automobile liability insurance policy insuring a single individual or
13 people residing in the same household, as the named insured, or meets the requirements of [insert
14 citation], but does not include a vehicle with fewer than [four] wheels.

15 (b) No private passenger motor vehicle insured by its owner pursuant to a policy of insurance
16 subject to [insert citation] shall be classified as a commercial vehicle, for-hire vehicle, permissive
17 use vehicle, or livery solely because its owner allows it to be used for personal vehicle sharing as
18 long as all of the following circumstances apply:

19 (1) The personal vehicle sharing is conducted pursuant to a personal vehicle sharing
20 program.

21 (2) The annual revenue received by the vehicle's owner which was generated by the
22 personal vehicle sharing of the vehicle does not exceed the annual expenses of owning and operating
23 the vehicle, including depreciation, interest, lease payments, auto loan payments, insurance,
24 maintenance, parking, fuel, cleaning, automobile repair, and costs associated with personal vehicle
25 sharing, including, but not limited to, the installation, operation, and maintenance of computer
26 hardware and software, signage identifying the vehicle as a personal sharing vehicle, and any fees
27 charged by a personal vehicle sharing program.

28 (3) The owner of the private passenger motor vehicle does not knowingly place the
29 vehicle into commercial use, as defined by [insert citation], by a personal vehicle sharing user while
30 engaged in personal vehicle sharing.

31 (c) A personal vehicle sharing program shall, for each vehicle that it facilitates the use of, do
32 all of the following:

33 (1) During all times that the vehicle is engaged in personal vehicle sharing, provide
34 insurance coverage for the vehicle and operator of the vehicle that are equal to or greater than the
35 insurance coverage maintained by the vehicle owner and reported to the personal vehicle sharing
36 program. However, the personal vehicle sharing program shall not provide liability coverage less
37 than [three times] the minimum insurance requirements for private passenger vehicles. Compliance
38 with the terms and conditions of this paragraph shall be deemed to avoid the application of the
39 limitation on damage recoveries set forth in [insert citation].

40 (2) Provide the registered owner of the vehicle with a [department of motor vehicles]
41 suitable proof of compliance with the insurance requirements of this section and the requirements of
42 [insert citation], a copy of which shall be maintained in the vehicle by the vehicle's registered owner
43 during any time when the vehicle is operated by any person other than the vehicle's owner pursuant
44 to a personal vehicle sharing program.

45 (3) Collect, maintain, and make available to the vehicle's owner, the vehicle owner's
46 primary automobile liability insurer on file with the [department of motor vehicles], and to any other
47 government agency as required by law, at the cost of the personal vehicle sharing program,
48 verifiable electronic records that identify the date, time, initial and final locations of the vehicle, and
49 miles driven when the vehicle is under the control of a person other than the vehicle's owner
50 pursuant to a personal vehicle sharing program.

51 (4) Provide the vehicle's owner and any person that operates the vehicle pursuant to a
52 personal vehicle sharing program with a disclosure that contains information explaining the terms
53 and conditions contained in this section.

54 (5) Not knowingly permit the vehicle to be operated for commercial use by a personal
55 vehicle sharing user while engaged in personal vehicle sharing.

56 (6) Use only private passenger vehicles.

57 (7) Facilitate the installation, operation, and maintenance of computer hardware and
58 software and signage, necessary for a vehicle to be used in a personal vehicle sharing program,
59 including payment of the cost of damage or theft of that equipment and any damage caused to the
60 vehicle by the installation, operation, and maintenance of that equipment.

61 (d) Notwithstanding any other provision of law or any provision in a private passenger motor
62 vehicle owner's automobile insurance policy, in the event of a loss or injury that occurs during any
63 time period when the vehicle is under the operation and control of a person, other than the vehicle

64 owner, pursuant to a personal vehicle sharing program, or otherwise under the control of a personal
65 vehicle sharing program, the personal vehicle sharing program shall assume all liability of the owner
66 and shall be considered the owner of the vehicle for all purposes. Nothing in this section limits the
67 liability of the personal vehicle sharing program for its acts or omissions that result in injury to any
68 persons as a result of the use or operation of a personal vehicle sharing program.

69 (e) A personal vehicle sharing program shall continue to be liable pursuant to subdivision (d)
70 until both of the following occur:

71 (1) The private passenger motor vehicle is returned to a location designated by the
72 personal vehicle sharing program.

73 (2) The earliest of one of the following occurs:

74 (A) The expiration of the time period established for the particular use of the
75 vehicle.

76 (B) The intent to terminate the personal vehicle sharing use is verifiably
77 communicated to the personal vehicle sharing program.

78 (C) The vehicle's owner takes possession and control of the vehicle.

79 (f) The personal vehicle sharing program shall assume liability for a claim in which a dispute
80 exists as to who was in control of the vehicle when the loss occurred giving rise to the claim, and the
81 vehicle's private passenger motor vehicle insurer shall indemnify the personal vehicle sharing
82 program to the extent of its obligation under the applicable insurance policy, if it is determined that
83 the vehicle's owner was in control of the vehicle at the time of the loss.

84 (g) In the event that the owner of the vehicle is named as a defendant in a civil action, for a
85 loss or injury that occurs during any time period when the vehicle is under the operation and control
86 of a person, other than the vehicle's owner, pursuant to a personal vehicle sharing program, or
87 otherwise under the control of a personal vehicle sharing program, the personal vehicle sharing
88 program shall have the duty to defend and indemnify the vehicle's owner, subject to the provisions
89 of subdivisions (d) and (f).

90 (h) Notwithstanding any other provision of law or any provision in a vehicle owner's
91 automobile liability insurance policy, while a private passenger motor vehicle is used by a person
92 other than its owner pursuant to personal vehicle sharing facilitated through a personal vehicle
93 sharing program, all of the following shall apply:

94 (1) The insurer of that vehicle on file with the [department of motor vehicles] may
95 exclude any and all coverage afforded pursuant to its policy.

96 (2) The primary and excess insurer or insurers of the owners, operators, and
97 maintainers of the private passenger motor vehicle used in a personal vehicle sharing program shall
98 have the right to notify an insured that it has no duty to defend or indemnify any person or
99 organization for liability for any loss that occurs during use of the vehicle in a personal vehicle
100 sharing program.

101 (i) No policy of insurance that is subject to [insert citation] shall be canceled, voided,
102 terminated, rescinded, or nonrenewed solely on the basis that the private passenger motor vehicle has
103 been made available for personal vehicle sharing pursuant to a personal vehicle sharing program that
104 is in compliance with the provisions of this section.

105
106 Section 3. [*Severability*.] [Insert severability clause.]

107
108 Section 4. [*Repealer*.] [Insert repealer clause.]

109
110 Section 5. [*Effective Date*.] [Insert effective date.]