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SESSION 2021

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SENATE BILL DRS45328-SVxf-12

Short Title: Rent My Ride.

(Public)

Sponsors: Senators Sawyer and Perry (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO REGULATE PEER-TO-PEER VEHICLE SHARING FACILITATORS.

3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** Article 10B of Chapter 20 of the General Statutes reads as rewritten:

5 "Article 10B.

6 "Peer-to-Peer Vehicle Sharing.

7 **"§ 20-280.15. Definitions.**

8 The following definitions apply in this Article:

9 (1) Airport operator. – As defined in G.S. 20-280.1.

10 (2) ~~Peer-to-peer vehicle sharing. – The authorized use of a shared vehicle by an~~
11 ~~individual other than the shared vehicle owner through a peer-to-peer vehicle~~
12 ~~sharing program.~~

13 (3) ~~Peer-to-peer vehicle sharing program facilitator. – A business platform that~~
14 ~~connects shared vehicle owners with drivers to enable the sharing of vehicles~~
15 ~~for financial consideration.~~ A marketplace facilitator, as defined in
16 G.S. 105-164.3, that facilitates a short-term motor vehicle rental where the
17 marketplace seller is the registered owner of the motor vehicle who has not
18 made an election under G.S. 105-187.5.

19 (4) Shared vehicle. – ~~A vehicle that is a shared vehicle owner makes~~ available for
20 sharing through a peer-to-peer vehicle sharing ~~program.~~ facilitator.

21 (4a) Shared vehicle delivery period. – The period of time during which a shared
22 vehicle is being delivered to the location of the vehicle sharing start time as
23 documented by a vehicle sharing agreement.

24 (4b) Shared vehicle driver. – An individual who is authorized to drive a shared
25 vehicle under a vehicle sharing agreement.

26 (5) Shared vehicle owner. – ~~The registered owner of a shared vehicle that is made~~
27 ~~available for sharing through a peer-to-peer vehicle sharing program.~~ The
28 registered owner of a shared vehicle who has not made an election under
29 G.S. 105-187.5.

30 (5a) Vehicle sharing agreement. – The terms and conditions applicable to a shared
31 vehicle owner and a shared vehicle driver that govern the use of a shared
32 vehicle.

33 (5b) Vehicle sharing period. – The period of time that commences with the vehicle
34 sharing delivery period, or if there is no vehicle sharing delivery period, the
35 vehicle sharing start time, and in either case ends at the vehicle sharing
36 termination time.



- 1 (6) ~~Vehicle sharing provider. — The person or entity that operates, facilitates, or~~
2 ~~administers the provision of personal vehicle sharing through a peer-to-peer~~
3 ~~vehicle sharing program.~~
- 4 (7) Vehicle sharing start time. — The time when a shared vehicle becomes subject
5 to the control of a shared vehicle driver at or after the time the reservation of
6 a shared vehicle is scheduled to begin as documented in the records of a
7 peer-to-peer vehicle sharing facilitator.
- 8 (8) Vehicle sharing termination time. — The earliest occurrence of any of the
9 following events:
- 10 a. The expiration of the agreed upon period of time established for the
11 use of a shared vehicle according to the terms of the vehicle sharing
12 agreement if the shared vehicle is delivered to the location agreed upon
13 in the vehicle sharing agreement.
- 14 b. When the shared vehicle is returned to an alternate location agreed
15 upon by the shared vehicle owner and shared vehicle driver as
16 communicated through a peer-to-peer vehicle sharing facilitator.
- 17 c. When the shared vehicle owner, or the shared vehicle owner's
18 authorized designee, takes possession and control of the shared
19 vehicle.

20 **"§ 20-280.17. Airport operators.**

21 An airport operator may (i) charge peer-to-peer vehicle sharing ~~programs—facilitators~~ a
22 reasonable fee for the use of the airport's facility, (ii) require an identifying decal be displayed
23 on all shared vehicles that operate on airport property, (iii) require the purchase and use of
24 equipment or establish other appropriate mechanisms for monitoring and auditing compliance,
25 including having a peer-to-peer vehicle sharing ~~program—facilitator~~ provide data for purposes of
26 monitoring and auditing compliance, and (iv) designate a location where shared vehicles may
27 stage on the airport operator's facility.

28 **"§ 20-280.19. Financial responsibility; handling of claims.**

29 (a) A peer-to-peer vehicle sharing facilitator shall ensure that, during each car sharing
30 period, a shared vehicle owner and a shared vehicle driver are insured by a motor vehicle liability
31 policy that meets all of the following requirements:

- 32 (1) Provides coverage as follows:
- 33 a. Primary liability coverage of at least two hundred fifty thousand
34 dollars (\$250,000) because of death of or bodily injury to one person
35 in any one accident and, subject to said limit for one person, five
36 hundred thousand dollars (\$500,000) because of death of or bodily
37 injury to two or more persons in any one accident, and at least one
38 hundred thousand dollars (\$100,000) because of injury to or
39 destruction of property of others in any one accident.
- 40 b. Combined uninsured and underinsured motorist coverage, with limits
41 for combined uninsured and underinsured motorist bodily injury
42 coverage of at least five hundred thousand dollars (\$500,000), and that
43 otherwise complies with the requirements of G.S. 20-279.21(b)(3) and
44 (b)(4).
- 45 (2) Recognizes that the shared vehicle insured under the policy is made available
46 and used through a peer-to-peer vehicle sharing facilitator.
- 47 (3) Does not exclude use of a shared vehicle by a shared vehicle driver.
- 48 (4) Shall satisfy the difference in minimum coverage amounts if a claim arises
49 during a shared vehicle period in another state with minimum financial
50 responsibility limits higher than the minimum amounts required under this
51 subsection.

- 1 (5) Provides coverage that is not dependent on a personal automobile insurer first
2 denying a claim.
- 3 (6) Is provided by an insurer licensed in this State or by a surplus lines insurer
4 eligible to write policies in this State.
- 5 (b) The insurance required under subsection (a) of this section shall be maintained by at
6 least one of the following:
- 7 (1) A shared vehicle owner.
8 (2) A shared vehicle driver.
9 (3) A peer-to-peer vehicle sharing facilitator.
10 (4) A combination of subdivisions (1), (2), or (3) of this subsection.
- 11 (c) A peer-to-peer vehicle sharing facilitator shall maintain the following insurance
12 coverage:
- 13 (1) A motor vehicle liability policy that provides the coverage required by
14 subsection (a) of this section beginning with the first dollar of a claim and
15 provides defense of claims in the event that the insurance maintained by a
16 shared vehicle owner or a shared vehicle driver has lapsed or does not provide
17 the required coverage.
- 18 (2) A policy that is not less than the minimum amounts required under subsection
19 (a) of this section that provides coverage for an act or omission by the
20 peer-to-peer vehicle sharing facilitator that is the proximate cause of death,
21 bodily injury, or property damage to a person in any one accident because of
22 the use of a shared vehicle.
- 23 (d) A peer-to-peer vehicle sharing facilitator that wishes to sell insurance coverage for
24 the use of shared vehicles shall apply for and obtain a limited license from the Commissioner of
25 Insurance in accordance with G.S. 58-33-17.1.
- 26 (e) No insurer is required to sell a policy of insurance providing the coverage required by
27 this section.
- 28 (f) In a claims coverage investigation or accident, a shared vehicle owner, a shared
29 vehicle driver, a peer-to-peer vehicle sharing facilitator, an insurer potentially providing coverage
30 under this section, and other directly involved parties must exchange the following information:
- 31 (1) Description of the coverage, exclusions, and limits provided under any
32 insurance policy.
- 33 (2) The vehicle sharing start time.
- 34 (3) The vehicle sharing termination time.

35 **"§ 20-280.21. Permitted activities.**

36 Nothing in this Article limits or restricts any of the following:

- 37 (1) The ability of a shared owner or a shared driver to obtain secondary insurance
38 coverage in excess of the minimum requirements required under this section.
- 39 (2) The ability of a peer-to-peer vehicle sharing facilitator to do any of the
40 following:
- 41 a. To seek indemnification from a shared vehicle owner or a shared
42 vehicle driver for economic loss sustained by the peer-to-peer vehicle
43 sharing facilitator resulting from negligence, misrepresentation, or a
44 breach of the terms and conditions of a vehicle sharing agreement.
- 45 b. To own or maintain as the named insured one or more motor vehicle
46 liability policies providing coverage in the amount of, in excess of, or
47 optional to the minimum amount of coverage required to be provided
48 under G.S. 20-280.19(a), including coverage for:
- 49 1. Liabilities assumed by the peer-to-peer vehicle sharing
50 facilitator under a vehicle sharing agreement.
- 51 2. Any liability of the shared vehicle owner.

1 3. Any liability of the shared vehicle driver.

2 4. Damage or loss to the shared motor vehicle.

3 (3) The ability of an insurer that defends or indemnifies a claim against a shared
4 vehicle owner or a shared vehicle driver for loss or injury arising from the use
5 of a shared vehicle that is excluded under the terms of its policy to seek
6 recovery against the insurer of the peer-to-peer vehicle sharing facilitator.

7 **"§ 20-280.23. Exclusions for personal motor vehicle liability insurance policies.**

8 Nothing in this Article invalidates, limits, or restricts a motor vehicle insurer's ability to do
9 any of the following:

10 (1) Exclude coverage under a motor vehicle liability insurance policy for the use
11 of a shared vehicle, including any of the following:

12 a. Liability coverage for bodily injury and property damage.

13 b. Uninsured and underinsured motorist coverage.

14 c. Medical payments coverage.

15 d. Comprehensive physical damage coverage.

16 e. Collision physical damage coverage.

17 (2) Cancel or nonrenew policies, including for use of a shared vehicle.

18 (3) Underwrite any insurance policy.

19 **"§ 20-280.25. Legal liability.**

20 (a) Nothing in this Article limits or restricts the liability of a peer-to-peer vehicle sharing
21 facilitator for any act or omission of the peer-to-peer vehicle sharing facilitator that is the
22 proximate cause of death, bodily injury, or property damage to a person in any one accident
23 because of the use of a shared vehicle.

24 (b) A peer-to-peer vehicle sharing facilitator and a shared vehicle owner are exempt from
25 vicarious liability in accordance with 49 U.S.C. § 30106 and under any State or local law that
26 imposes liability solely based on vehicle ownership.

27 **"§ 20-280.27. Notification of implications of lien.**

28 A peer-to-peer vehicle sharing facilitator shall notify a shared vehicle owner prior to the time
29 the shared vehicle owner makes a shared vehicle available that, if the shared vehicle has a lien
30 against it, the use of the shared vehicle through a peer-to-peer vehicle sharing facilitator,
31 including use without physical damage coverage, may violate the terms of the contract with the
32 lienholder.

33 **"§ 20-280.29. Required disclosures.**

34 A vehicle sharing agreement made in this State shall disclose to the shared vehicle owner and
35 the shared vehicle driver, at a minimum, all of the following:

36 (1) Any right of the peer-to-peer vehicle sharing facilitator to seek
37 indemnification from the shared vehicle owner or the shared vehicle driver for
38 economic loss sustained by the peer-to-peer vehicle sharing facilitator
39 resulting from a breach of the terms and conditions of the vehicle sharing
40 agreement.

41 (2) That the shared vehicle owner's motor vehicle liability insurance may not
42 provide coverage for a shared vehicle.

43 (3) That a shared vehicle owner or a shared vehicle driver may obtain additional
44 insurance coverage, which may or may not be obtained through the
45 peer-to-peer vehicle sharing facilitator, that is in excess of the minimum
46 coverage amounts required to be provided under this Article.

47 (4) That a motor vehicle liability insurance policy issued to the shared vehicle
48 owner for the shared vehicle or to the shared vehicle driver does not provide
49 a defense or indemnification for any claim asserted by the peer-to-peer vehicle
50 sharing facilitator.

1 (5) That the peer-to-peer vehicle sharing facilitator's insurance coverage is in
2 effect only during a vehicle sharing period and that use of the shared vehicle
3 by the shared vehicle driver after the vehicle sharing termination time may not
4 have insurance coverage.

5 (6) The daily rate, fees, and, if applicable, any insurance or protection package
6 costs that are charged to the shared vehicle owner or the shared vehicle driver.

7 (7) An emergency telephone number for personnel capable of fielding roadside
8 assistance and other customer service inquiries.

9 **"§ 20-280.31. Drivers license verification and data retention.**

10 (a) A peer-to-peer vehicle sharing facilitator may not enter into a vehicle sharing
11 agreement with a shared vehicle driver unless the shared vehicle driver who will operate the
12 shared vehicle meets either of the following requirements:

13 (1) Has a valid drivers license issued pursuant to G.S. 20-7 authorizing the shared
14 vehicle driver to operate a motor vehicle of the class of the shared vehicle.

15 (2) Is a nonresident who:

16 a. Has a valid drivers license issued by the state or country of the driver's
17 residence authorizing the shared vehicle driver to drive a motor vehicle
18 of the class of the shared vehicle in that state or country; and

19 b. Is at least the same age as that required of a resident of this State to
20 operate a motor vehicle of the class of the shared vehicle.

21 (b) A peer-to-peer vehicle sharing facilitator shall keep a record of all of the following:

22 (1) The name and address of the shared vehicle driver.

23 (2) The drivers license number of the shared vehicle driver and any other person,
24 if any, who will operate the shared vehicle.

25 (3) The date and place of issuance of the drivers license.

26 (4) The policy number of the shared vehicle driver's motor vehicle liability policy.

27 **"§ 20-280.33. Responsibility for equipment of a shared vehicle.**

28 A peer-to-peer vehicle sharing facilitator has the sole responsibility for any equipment, such
29 as a GPS system or other special equipment, that is put in or on a shared vehicle to monitor or
30 facilitate the use of the shared vehicle and agrees to indemnify and hold harmless the shared
31 vehicle owner for any damage to or theft of the equipment during the vehicle sharing period not
32 caused by the shared vehicle owner. A peer-to-peer vehicle sharing facilitator has the right to
33 seek indemnification from the shared vehicle driver for any loss or damage to the equipment that
34 occurs during the vehicle sharing period.

35 **"§ 20-280.35. Safety recalls.**

36 (a) A peer-to-peer vehicle sharing facilitator shall do all of the following prior to the time
37 a shared vehicle owner makes a shared vehicle available through the peer-to-peer vehicle sharing
38 facilitator:

39 (1) Verify that a shared vehicle does not have any safety recalls on the vehicle for
40 which the repairs have not been made.

41 (2) Notify a shared vehicle owner of the requirements of this section.

42 (b) If a shared vehicle owner has received actual notice of a safety recall on a shared
43 vehicle, the shared vehicle owner shall do the following:

44 (1) Not make the shared vehicle available through a peer-to-peer vehicle sharing
45 facilitator until the safety recall repair has been made.

46 (2) If the actual notice is received while the shared vehicle is available through a
47 peer-to-peer vehicle sharing facilitator, remove the shared vehicle from the
48 facilitator's platform as soon as practicable after receiving the notice and until
49 the safety recall repair has been made.

50 (3) If the actual notice is received while the shared vehicle is being used in the
51 possession of a shared vehicle driver, notify the peer-to-peer vehicle sharing

1 facilitator as soon as practicable so that the shared vehicle owner may address
2 the safety recall repair.

3 **"§ 20-280.37. Record keeping.**

4 (a) A peer-to-peer vehicle sharing facilitator shall maintain records pertaining to the use
5 of a shared vehicle, including vehicle sharing times used, vehicle sharing period pick up and drop
6 off locations, fees paid by the shared vehicle driver, and revenues received by the shared vehicle
7 owner. A peer-to-peer vehicle sharing facilitator shall, upon request, provide information from
8 the records to the shared vehicle owner, the shared vehicle owner's insurer, and the shared vehicle
9 driver's insurer only for claim coverage investigation, settlement, negotiation, or litigation
10 purposes.

11 (b) The peer-to-peer vehicle sharing facilitator shall retain the records for a time period
12 that is not less than the applicable personal injury statute of limitations.

13 **"§ 20-280.39. Permits.**

14 (a) A peer-to-peer vehicle sharing facilitator shall obtain a permit from the Division
15 before operating in this State and shall pay to the Division a nonrefundable application fee of
16 five thousand dollars (\$5,000).

17 (b) A peer-to-peer vehicle sharing facilitator shall renew the permit annually and pay to
18 the Division a nonrefundable renewal fee of five thousand dollars (\$5,000).

19 (c) The Division must prescribe the form of the application for a permit and renewal of a
20 permit.

21 (d) The initial application and renewal application shall require information sufficient to
22 confirm compliance with this Article and include the following:

23 (1) Proof of insurance meeting the requirements of G.S. 20-280.19.

24 (2) Resident agent for service of process.

25 (3) Proof the peer-to-peer vehicle sharing facilitator is registered with the
26 Secretary of State to do business in the State if the peer-to-peer vehicle sharing
27 facilitator is a foreign corporation.

28 (e) The Division may retain the fees collected under this section and use the funds for its
29 operations."

30 **SECTION 2.** Article 33 of Chapter 17 of the General Statutes is amended by adding
31 a new section to read:

32 **"§ 58-33-17.1. Limited license for peer-to-peer vehicle sharing facilitators.**

33 (a) The definitions in G.S. 20-280.15 apply in this section. In addition, as used in this
34 section, "limited licensee" means a person authorized to sell certain coverages relating to the use
35 of shared vehicles pursuant to the provisions of this section and Article 10B of Chapter 20 of the
36 General Statutes.

37 (b) The Commissioner may issue to a peer-to-peer vehicle sharing facilitator that has
38 complied with the requirements of this section a limited license authorizing the licensee, known
39 as a "limited licensee" for the purpose of this Article, to act as agent, with reference to the kinds
40 of insurance specified in this section, of any insurer authorized to write such kinds of insurance
41 in this State.

42 (c) The prerequisites for issuance of a limited license under this section are the filing with
43 the Commissioner of all of the following:

44 (1) A written application, signed by an officer of the applicant, for the limited
45 license in a form and containing the information required by the
46 Commissioner.

47 (2) A certificate by the insurer that is to be named in the limited license, stating
48 that it has satisfied itself that the named applicant is trustworthy and
49 competent to act as its insurance agent for this limited purpose and that the
50 insurer will appoint the applicant to act as the agent in reference to the kinds
51 of insurance permitted by this section, if the limited license applied for is

1 issued by the Commissioner. An officer or managing agent of the insurer shall
2 sign the certificate and affirm the statements therein as true under the penalties
3 of perjury.

4 (d) In the event that any provision of this section is violated by a limited licensee, the
5 Commissioner may do any of the following:

6 (1) Revoke or suspend a limited license issued under this section in accordance
7 with the provisions of G.S. 58-33-46.

8 (2) After notice and hearing, impose other penalties, including suspending the
9 transaction of insurance at specific locations where violations of this Article
10 have occurred, as the Commissioner deems necessary or convenient to carry
11 out the purposes of this section.

12 (e) A limited licensee may act as agent for an authorized insurer only in connection with
13 the use of shared vehicles and only with respect to the following kinds of insurance:

14 (1) Excess liability insurance that provides coverage to the limited licensee and
15 to shared vehicle drivers in excess of the standard liability limits provided by
16 the limited licensee in its vehicle sharing agreement with a shared vehicle
17 driver for liability arising from the negligent operation of a shared vehicle.

18 (2) Accident and health insurance that provides coverage to shared vehicle drivers
19 and other vehicle occupants for accidental death or dismemberment and for
20 medical expenses resulting from an accident that occurs during the vehicle
21 sharing period.

22 (3) Personal effects insurance that provides coverage to shared vehicle drivers and
23 other vehicle occupants for the loss of, or damage to, personal effects that
24 occurs during the vehicle sharing period.

25 (4) Any other coverage that the Commissioner may approve as meaningful and
26 appropriate in connection with the use of shared vehicles.

27 (f) No insurance may be issued pursuant to this section unless all of the following
28 conditions are met:

29 (1) The period of the vehicle sharing agreement does not exceed 30 consecutive
30 days.

31 (2) The limited licensee provides written material to prospective shared vehicle
32 drivers, either in person or online, that does all of the following:

33 a. Summarizes, clearly and correctly, the material terms of insurance
34 coverage, including the identity of the insurer, offered to shared
35 vehicle drivers.

36 b. Discloses that the policies offered may provide a duplication of
37 coverage already provided by a shared vehicle driver's personal
38 automobile insurance policy, homeowner's insurance policy, personal
39 liability insurance policy, or other source of coverage.

40 c. States that the purchase of the kinds of insurance specified in this
41 section is not required in order to share a vehicle.

42 d. Describes the process for filing a claim in the event the shared vehicle
43 driver elects to purchase coverage and in the event of a claim.

44 e. Contains any additional information on the price, benefits, exclusions,
45 conditions, or other limitations of the policies as the Commissioner
46 may by regulation prescribe.

47 (3) Evidence of coverage is provided to a shared vehicle driver who elects to
48 purchase the coverage.

49 (g) A limited license issued under this section shall also authorize any salaried employee
50 of the licensee who, pursuant to subsection (h) of this section, is trained to act individually on

1 behalf, and under the supervision, of the licensee with respect to the kinds of insurance specified
2 in this section.

3 (h) A peer-to-peer vehicle sharing facilitator shall conduct a training program that is
4 submitted to the Commissioner for approval prior to use and that meets all of the following
5 minimum standards:

6 (1) Each trainee shall receive basic instruction about the kinds of insurance
7 specified in this section offered for purchase by prospective shared vehicle
8 drivers.

9 (2) Each trainee shall be instructed to acknowledge to a prospective shared
10 vehicle driver that purchase of any insurance specified in this section is not
11 required to share a vehicle.

12 (3) Each trainee shall be instructed to acknowledge to a prospective shared
13 vehicle driver that the shared vehicle driver may have insurance policies that
14 already provide the coverage being offered pursuant to this section.

15 (i) Limited licensees acting pursuant to and under the authority of this section shall
16 comply with all applicable provisions of this Article, except that notwithstanding any other
17 provision of this Article, or any rule adopted by the Commissioner, a limited licensee is not
18 required to treat premiums collected from shared vehicle drivers purchasing insurance when
19 sharing vehicles as funds received in a fiduciary capacity, provided both of the following
20 conditions are met:

21 (1) The insurer represented by the limited licensee has consented in writing,
22 signed by the insurer's officer, that premiums need not be segregated from
23 funds received by the limited licensee on account of vehicle sharing.

24 (2) The charges for insurance coverage are itemized but not billed to the shared
25 vehicle driver separately from the charges for shared vehicles.

26 (j) No limited licensee under this section shall advertise, represent, or otherwise hold
27 itself or any of its employees themselves out as licensed insurance agents or brokers."

28 **SECTION 3.** This act becomes effective July 1, 2021, and applies to all transactions
29 on or after that date.