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**Assembly Committee on Transportation
Testimony on Assembly Bill 395:
Insurance for Peer-to-Peer Car Sharing
December 5, 2023**

Thank you Madam Chair and members of the Committee for the opportunity to testify on Assembly Bill 395. This bill is about creating an insurance framework for vehicles used with Peer-to-Peer Car Sharing.

Peer-to-Peer (P2P) car sharing is a car rental model where individuals can rent their privately-owned vehicles to other individuals when they are not in use. Online platforms or mobile apps connect car owners with people who need to rent a car for a short period, typically by the hour or day. It's an interesting way to have access to a variety of vehicles, from economy cars to luxury vehicles and even unique or specialty cars. And car owners can earn extra income by renting out their vehicles when they are not using them.

As you might expect, the framework for insuring a vehicle in a P2P sharing program is not as developed as traditional vehicle rentals. That's what we're creating with AB 395. The legislation closely follows the National Conference of Insurance Legislators (NCOIL) model bill, but tailors it to Wisconsin's requirements and negotiations between interested parties. The legislation is lengthy, but I do want to touch on just a few things.

First, insurance minimums. This bill requires that, between the P2P Sharing Company, the driver, and the vehicle owner, cars offered on a P2P platform carry sufficient insurance. The bill tracks Wisconsin's mandatory minimum insurance laws, and is tailored to automatically adjust if the legislature ever chooses to change our minimums.

Second, covering claims in case of a dispute. The bill requires adequate insurance coverage in the case of an incident through the P2P Sharing Company, the car sharing provider, and the driver themselves to ensure that in any scenario there is coverage in place. As you can imagine, every accident has its own unique circumstances, so this legislation accounts for that through the multiple layers of required insurance coverage.

Third, common-sense consumer safety. The legislation requires the sharing program to verify that the vehicle is not the subject of a safety recall, and that a shared vehicle owner who receives a safety recall notice must remove the vehicle from the program until all repairs are made. If the vehicle is being shared when a notice is received, the vehicle owner must notify the sharing program.

Thank you for your time and consideration of this legislation. I'm happy to take any questions you have.



ROB STAFSHOLT

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TO: Assembly Committee on Transportation
FROM: Senator Rob Stafsholt
DATE: December 5, 2023
SUBJECT: Testimony in Favor of Assembly Bill 395

Thank you, Chairwoman VanderMeer and members of the Assembly Committee on Transportation, for allowing me to testify in favor of Assembly Bill 395.

Peer-to-peer car sharing is a growing transportation option that provides an economic opportunity for people who want to share their vehicle with someone else through a digital platform in exchange for money. In return, people in need of a vehicle have access to an alternative transportation option. Sharing your vehicle with someone else in exchange for money creates insurance and liability questions, which is the main reason I am authoring this legislation.

This legislation is a product of careful negotiations with relevant stakeholders in the insurance and car sharing industries to provide consumer protection and create a uniform insurance framework for the car sharing industry. The goal is to ensure that there are standards for consumer safety, transparent pricing, and insurance coverage.

Peer-to-peer car sharing has continued to grow in Wisconsin so there needs to be a statutory infrastructure in place to protect consumers. The proposed legislation is based on the National Council of Insurance Legislators (NCOIL) adopted model law that provides some modest regulations and clear standards for the car sharing industry and consumers.

Lastly, I want to let you know that the Department of Revenue and Legislative Council have provided some technical corrections to the bill so we will be working with them and stakeholders to fix those issues with an amendment.

Thank you, members. I ask for your support and would be happy to discuss this bill at any time.



December 5, 2023

The Honorable Nancy VanderMeer, Chair
Wisconsin Assembly Committee on Transportation

RE: Turo's testimony in support of AB 395

Chair VanderMeer, Vice-Chair Hurd, and distinguished Members of the Assembly Committee on Transportation:

On behalf of Turo and our community of car owners and drivers in Wisconsin, thank you for the opportunity to submit testimony in support of AB 395. At Turo, we are proud to be the world's largest peer-to-peer car sharing marketplace. We are equally proud that our platform enables Wisconsin car owners to connect with residents and visitors who need transportation every day.

Because of the low-barrier economic opportunities it creates for car owners and the expanded mobility options it provides for working families and travelers, the peer-to-peer car sharing industry has seen rapid growth over the last few years through Turo and other car sharing platforms. No peer-to-peer car sharing-specific statutes exist on the books in Wisconsin today. If enacted, AB 395 would establish a sensible and comprehensive regulatory framework for this emerging industry.

AB 395 is based on the Peer-to-Peer Car Sharing Program Model Act developed by the National Council of Insurance Legislators (or, "NCOIL") and, to date, adopted by 25 other states. By faithfully enacting the NCOIL model act, AB 395 would establish requirements, consistent with national standards, to protect both those participating in peer-to-peer car sharing in Wisconsin and all of those who share the state's roads with shared vehicles. The bill addresses many aspects of peer-to-peer car sharing, but its primary focus is ensuring robust insurance coverage and consumer protections for peer-to-peer car sharing transactions.

First, the bill requires that peer-to-peer car sharing platforms like Turo ensure that there is insurance coverage in place during the entirety of the car sharing period; moreover, the bill includes safeguards that preclude any possibility of a gap in coverage. New Sec. 632.362(2)(d) in Section 8 of the bill requires a peer-to-peer motor vehicle sharing program to ensure that every shared vehicle driver is insured under a third-party motor vehicle liability policy in at least the amounts of the state minimums. The Wisconsin legislature has already established the minimum amounts of this coverage that every driver on the road must carry. This legislation would require the platforms to ensure coverage at levels equal to the state's minimum financial responsibility requirements. Traditional rental car customers as well as anyone driving their own or another's car for personal use must have coverage at these levels,

which would be the same for shared vehicle drivers under AB 395. Requiring coverage at the state minimums is consistent with the vast majority of states (21 out of 25) that have adopted the NCOIL model act. If the Wisconsin legislature ever changes the state minimums, the required coverage levels for shared vehicle drivers would adjust right along with them.

While the bill's opponents have advocated for greater coverage requirements for shared vehicle drivers, there is no basis for this position. Proponents of higher limits are advocating higher costs only for those engaged in peer-to-peer car sharing. Proponents of higher limits have no evidence that the cost of damages and losses in claims involving peer-to-peer car sharing are any higher than claims involving any other self-driven vehicle. Thus, it makes no sense to treat shared vehicle drivers differently. Any concern about the coverage amounts is really a concern about the sufficiency of the state minimums themselves and is a wholly separate conversation that involves the balancing of coverage levels with coverage costs.

Also, in Section 8 of the bill, new Secs. 632.362(2)(d) and (e) require a peer-to-peer motor vehicle sharing program to ensure that there is coverage for the shared vehicle driver under a policy that either recognizes or does not exclude the use of the vehicle in peer-to-peer car sharing. The policy providing coverage can be an insurance policy maintained by the driver, the car owner, the peer-to-peer motor vehicle sharing program, or some combination thereof. The insurance policy, or policies, providing the coverage is primary. If the shared vehicle driver or car owner is providing the coverage, and there is a dispute or the policy lapses or is insufficient, then the peer-to-peer motor vehicle sharing program's policy automatically steps in and becomes primary under new Secs. 632.362(2)(g) and (h). This arrangement honors the existing terms and conditions of the insurance policies and promotes the freedom of insurers to write and sell various policies that provide coverage for peer-to-peer car sharing transactions.

However, no third party will be left holding the bag because of this arrangement. Under current law, every driver on Wisconsin's roads is generally required to have coverage in the amounts of the state minimums, but current law imposes no obligations on peer-to-peer car sharing platforms to make certain that shared vehicle drivers have the requisite insurance coverage, and to step in and provide coverage when needed. AB 395 would do just that. Thus, under the bill, all those who share the road with shared vehicles would enjoy greater assurance that coverage will be available in the unfortunate case of an accident involving a shared vehicle.

Second, but equally important, the bill contains significant consumer protections for all peer-to-peer car sharing transactions. AB 395 requires shared vehicle drivers to have valid driver's licenses; it requires peer-to-peer motor vehicle sharing programs to retain comprehensive records relating to each peer-to-peer car sharing transaction; it requires peer-to-peer motor vehicle sharing programs to make extensive disclosures to car owners and shared vehicle drivers regarding coverage limitations, rates and fees, and how to access assistance in the case of an emergency; and it requires peer-to-peer motor vehicle sharing programs to check for safety recalls before a car is listed on the platform and imposes obligations on owners to remove cars from the platform if they are notified of any safety recalls. From the many other states where they have been implemented, these requirements have successfully struck a

prudent balance of protecting shared vehicle drivers, their passengers, and third parties without placing undue burdens on those operating peer-to-peer car sharing businesses. The recall provisions, in particular, reflect how peer-to-peer motor vehicle sharing programs and car owners work hand-in-hand to ensure the safety of shared vehicles and divide responsibilities according to the control of the car and in the interest of who can most quickly resolve any safety concerns.

Thank you again for taking up this important legislation to facilitate the free, fair, and safe operation of peer-to-peer car sharing in Wisconsin. We at Turo stand ready to assist you if you have any questions about the bill or our industry. We appreciate your time and consideration.

Sincerely,

Erin Smith Bennett
Senior Legislative Counsel
Turo
esmithbennett@turo.com



December 5, 2023
The Honorable Nancy Vandermeer, Chair
Assembly Committee on Transportation

RE: Turo's testimony in support of AB 395

Chair Vandermeer, Vice-Chair Hurd and distinguished Members of the Assembly Committee on Transportation.

On behalf of Turo and our community of hosts and guests in Wisconsin, I would like to thank you for the opportunity to submit testimony in support of AB 395. Your time, effort and consideration are sincerely appreciated.

Turo is an online and app based peer-to-peer car sharing marketplace that connects Wisconsin car owners with those who are in need of a form of transportation. The beauty of Turo is that it provides hosts the opportunity to earn a little extra income by sharing their personal vehicle and guarantees guests the exact make and model of their choosing.

Turo is proud to be made possible by a vast community of hosts and guests from all over Wisconsin. Our unique community is made up of veterans, police officers, teachers, and nurses. Turo provides these Wisconsin car owners an economic opportunity to utilize an asset that would otherwise sit idle in their driveway. By doing so, Turo hosts have the ability to use their earnings from sharing their car to help offset the cost of their monthly car payment, housing costs, student loans or medical bills.

The bill before this Committee today is sensible and comprehensive model legislation that would regulate the emerging industry of peer-to-peer car sharing. Based on the Peer-to-Peer Car Sharing Program Model Act adopted by the National Council of Insurance Legislators and enacted in over a dozen states, AB 395 was agreed upon through extensive negotiations with stakeholders nationally and in Wisconsin.

AB 395 ensures that there are robust measures for insurance coverage, consumer safety, transparent pricing, and roadside assistance for every Wisconsinite that chooses to use peer-to-peer car sharing. The bill creates an insurance framework that protects shared car owners, drivers, and the broader community. This framework requires appropriate insurance coverage throughout the duration of the car sharing period and ensures that no gaps in coverage can exist.

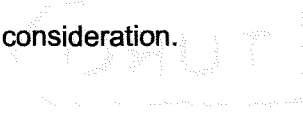
Turo and our community of Wisconsin peer-to-peer car sharing residents are appreciative of the legislature's interest in protecting consumers' right to the free market while also establishing

sensible rules for the road. Thank you for the opportunity to provide this written testimony. For the reasons stated above, we encourage this committee to support AB 395.

Thank you for your time, effort and consideration.

Sincerely,

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Turo Government Relations





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EXECUTIVE DIRECTOR

December 5, 2023

Improving AB-395/SB-386's Insurance Requirements

AB-395/SB-386 creates unnecessary confusion regarding the adequacy, applicability, and primacy of the liability insurance coverage required under the bill. Moreover, the bill allows insurance coverage to be cancelled based on the actions of the vehicle owner that have nothing to do with third parties, leaving third parties potentially responsible for damages and injuries caused by a shared vehicle driver.

The bill should be amended to provide adequate, modern levels of insurance coverage and more clarity over whose insurance is responsible in the event of a crash.

AB-395/SB-386 Does Not Require Adequate Insurance Coverage. This bill only requires the peer-to-peer (P2P) company to assume liability to the state minimum limits under Wis. Stat. § 344.33 (2). Wisconsin's current insurance limits, set in 1982, do not provide nearly enough coverage to cover medical bills and property damage stemming from crashes involving shared cars.

Younger Drivers Should Have More Insurance. Turo and other P2P companies market their service as an option for those unable to rent traditional rental cars, specifically those between the ages of 18 and 25. Given that these cars are more likely to be driven by younger, less experienced drivers, more coverage should be required as a matter of sound public policy. Several states have imposed greater minimum coverage requirements. We encourage committee members to consider higher minimum insurance limits to address this need.

The Bill Departs from Successful Model in use for Transportation Network Companies (Uber, Lyft, et al.). Rideshare vehicles that feature a driver like Uber and Lyft are required by law to have insurance that provides \$1 million in coverage for death, bodily injury, and property damage. We encourage this committee to amend the bill to adopt this structure as applied to P2P car sharing.

AB-395/SB-386 Creates Unnecessarily Complex Series of Choices Over the Primary Insurance Policy. The bill should make clear who is responsible for providing insurance. Right now, the bill creates a series of complex choices making it unclear when and whose insurance applies.

The Bill Could Terminate Insurance Coverage to Injured Third Parties. This bill potentially allows insurance coverage to be dropped if a vehicle owner makes a misrepresentation to the peer-to-peer company. The terms are not well defined but also an alleged misrepresentation by a vehicle owner also means that a P2P carrier is not required to assume liability. In a situation like this, it is also likely that there will be disputes over the coverage, meaning that injured third parties, including pedestrians and other drivers, may be left holding the bag.

P2P Companies Should Be Responsible for Ensuring Unsafe Vehicles are Not on Platform. P2P companies are the party most likely to be able to monitor vehicle safety notices and recalls. The bill should require that the company remove vehicles with open recall notices from its platforms until necessary repairs are made. The responsibility should not be on the vehicle owner.

December 5, 2023

The Honorable Nancy Vandermeer, Chair
Assembly Committee on Transportation

RE: Selina Leitner's testimony in support of AB 395

Chair Vandermeer, Vice-Chair Hurd and distinguished Members of the Committee on Transportation

My name is Selina Leitner and I am a resident of Appleton, WI. I'm a full time real estate agent and have been a proud Turo host since 2018. I share my white Jeep available right on State Street with locals and visitors in need of transportation.

My first experience with peer-to-peer car sharing was on a trip to Las Vegas with a girlfriend of mine. She'd booked a beautiful convertible from a local Las Vegas host through Turo. The car was affordable and unique, elevating our experience and making it more memorable. I couldn't believe how easy and accessible it was to book a cool car for our trip, while also putting dollars in the pocket of a Vegas local. I started to think about my car back home and how I could utilize peer-to-peer car sharing as a host.

At the time, I had a beat up car and was waiting to upgrade it. I realized that if I bought my dream car, a white Jeep, I could share it on Turo a few times a month and be able to afford my monthly car payment, and that's exactly what happened. I purchased my Jeep, paid the full sales tax and registration fees to the state, and listed my car on Turo. Being a host has enabled me to supplement my income and offset the cost of my dream car, while giving back to my local community and travelers to Wisconsin alike by offering a mobility solution.

By sharing my car on Turo, I've had the opportunity to meet some incredible people. At the height of the lockdown here in Wisconsin, when it was impossible to find a rental car, I had a guest who was a traveling nurse who needed a car to get her from hospital to hospital. Peer-to-peer car sharing was the only affordable option available and I was thrilled to share my Jeep with her at a difficult time for us all, highlighting the power of leveraging community to lift one another up.

As you can see, I am not a rental car company but just a regular Wisconsin resident who is trying to make enough money to pay for my car payment every month. Peer-to-peer car sharing has improved my life and the lives of Wisconsinites all over the state. I'm asking the committee to support AB 395, a bill that sets forth a sensible regulatory framework for peer-to-peer car sharing and ensures that Wisconsin residents like me can continue to earn a little extra money each month. Thank you for doing the right thing for your constituents by supporting AB 395.

Thank you for your time and consideration,

Selina Leitner