



**House Bill No. 5389**

**Public Act No. 22-107**

**AN ACT CONCERNING A STUDY TO USE CAPTIVE INSURANCE COMPANIES TO REDUCE PREMIUM RATE INCREASES FOR CONNECTICUT PARTNERSHIP LONG-TERM CARE INSURANCE POLICIES AND PEER-TO-PEER CAR SHARING.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (*Effective from passage*) Not later than January 1, 2023, the Insurance Department and the Office of Policy and Management, shall, within existing resources, prepare and submit a report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to insurance. Such report shall include an evaluation of the use of a captive insurance company to reduce premium rate increases for policyholders with long-term care insurance policies purchased through the Connecticut Partnership for Long-Term Care, and any other recommendations to reduce premium rate increases in partnership long-term care policies.

Sec. 2. Section 13b-127 of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2023*):

For the purposes of this section and sections 13b-127a to 13b-127l, inclusive, as amended by this act:

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(1) "Peer-to-peer car sharing" means the authorized use of a [shared] vehicle [for a consideration] by a person other than the [shared vehicle] vehicle's owner through a peer-to-peer car sharing platform.

(2) "Peer-to-peer car sharing company" or "company" means [any person, corporation, limited partnership or other legal entity that is engaged in the business of operating a car sharing platform to enable peer-to-peer car sharing in this state. "Peer-to-peer car sharing company"] a car sharing platform that connects vehicle owners with drivers to enable the sharing of vehicles for financial consideration. "Peer-to-peer car sharing company" does not include any person licensed pursuant to section 14-15.

(3) "Car sharing platform" means a physical or electronic place, including, but not limited to, a store, a booth, an Internet web site, a catalog or a dedicated software application that allows a shared vehicle owner to make a shared vehicle available for peer-to-peer car sharing and connect a shared vehicle owner with a shared vehicle driver.

(4) "Car sharing agreement" means the terms and conditions applicable to a shared vehicle owner and a shared vehicle driver that govern the use of a shared vehicle through a peer-to-peer sharing platform. "Car sharing agreement" does not include any motor vehicle rental contracts.

(5) "Shared vehicle" means a vehicle that is available for sharing [on a] through a peer-to-peer car sharing platform. "Shared vehicle" does not include a passenger motor vehicle used for rental purposes by any person licensed pursuant to section 14-15.

(6) "Shared vehicle driver" means a person authorized by the shared vehicle owner to drive the shared vehicle under a car sharing agreement. "Shared vehicle driver" does not include a lessee, as that term is used in section 14-15.

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(7) "Shared vehicle owner" means the registered owner, or a person or entity designated by the registered owner, of a vehicle made available on a peer-to-peer car sharing platform. "Shared vehicle owner" does not include a person licensed or required to be licensed pursuant to section 14-15.

(8) "Car sharing delivery period" means the period of time during which a shared vehicle is being delivered to the location of the car sharing start time, if applicable, as documented by the car sharing agreement.

(9) "Car sharing period" means the period of time that begins at the start of the car sharing delivery period or, if there is no car sharing delivery period, that begins at the car sharing start time, and ends at the car sharing termination time.

(10) "Car sharing start time" means the time when a shared vehicle driver takes possession and control of the shared vehicle at or after the time the reservation of a shared vehicle is scheduled to begin [pursuant to a car sharing agreement] as documented in the records of the peer-to-peer car sharing platform.

(11) "Car sharing termination time" means the earliest of the following events:

(A) The expiration of the agreed upon period of time established for the use of a shared vehicle according to the terms of the car sharing agreement if the shared vehicle is delivered to the location agreed upon in such agreement;

(B) When the shared vehicle is returned to a location as alternatively agreed upon by the shared vehicle owner and shared vehicle driver as communicated through a car sharing platform and incorporated into the car sharing agreement; or

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(C) When the shared vehicle owner or the shared vehicle owner's authorized designee takes possession and control of the shared vehicle.

Sec. 3. Section 13b-127a of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2023*):

(a) Except as provided in subsection (b) of this section, a peer-to-peer car sharing company shall assume liability of a shared vehicle owner for bodily injury or property damage to third parties, or uninsured and underinsured motorist or personal injury protection losses, during the car sharing period in an amount stated in the peer-to-peer car sharing agreement, but not less than the minimum amounts required by subsection (a) of section 14-112.

(b) The assumption of liability under subsection (a) of this section shall not apply to any shared vehicle owner who: (1) Makes an intentional or fraudulent material misrepresentation or omission to the peer-to-peer car sharing company or on the car sharing platform before the car sharing period in which the liability arose; or (2) acts in concert with a shared vehicle driver who fails to return the shared vehicle pursuant to the car sharing agreement.

(c) The assumption of liability under subsection (a) of this section shall apply to bodily injury, property damage, uninsured and underinsured motorist or personal injury protection losses by damaged third parties, in accordance with section 14-112.

[(c)] (d) A peer-to-peer car sharing company shall ensure that, during each car sharing period, the shared vehicle owner and the shared vehicle driver are insured under an automobile liability insurance policy that: (1) Provides insurance coverage in amounts not less than the minimum amounts required by subsection (a) of section 14-112; and (2) recognizes that the shared vehicle insured under the policy is made available and

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used through a car sharing platform, or does not exclude the use of a shared vehicle by a shared vehicle driver.

[(d)] (e) The coverage requirements of subsection [(c)] (d) of this section may be satisfied by an automobile liability insurance maintained by the shared vehicle owner, the shared vehicle driver, the peer-to-peer car sharing company or the shared vehicle owner, the shared vehicle driver and the peer-to-peer car sharing company.

[(e)] (f) The [automobile liability insurance maintained pursuant to subsection (d) of this section shall assume primary liability for a claim:] insurer, insurers or peer-to-peer car sharing company providing or maintaining coverage under subsection (d) or (e) of this section shall assume primary liability for a claim when:

(1) [During each car sharing period;] A dispute exists as to who was in control of the shared motor vehicle at the time of the loss and the peer-to-peer car sharing company does not have available, did not retain or fails to provide the information required by section 13b-127d; or

(2) [When a dispute exists as to who was in control of the shared vehicle at the time of the loss and the peer-to-peer car sharing company does not have available, did not retain or fails to provide the information required by section 13b-127d that relates to the claim; or] A dispute exists as to whether the shared vehicle was returned to the alternatively agreed upon location as agreed to by the shared vehicle owner and the shared vehicle operator.

[(3) When a dispute exists as to whether the shared vehicle was returned to the alternatively agreed upon location as communicated through the car sharing platform and incorporated into the car sharing agreement.

(f) If a claim occurs during the car sharing period in another state with minimum financial responsibility requirements that are higher than the

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minimum amounts required by subsection (a) of section 14-112, the automobile liability insurance policy maintained pursuant to subsection (d) of this section shall provide coverage to satisfy the minimum amounts required by the other state, up to the applicable policy limits.]

(g) The liability insurance described in subsection (e) of this section that satisfies the insurance requirement of subsection (d) of this section shall be primary during each car sharing period and in the event that a claim occurs in another state with minimum financial responsibility limits higher than those established in subsection (a) of section 14-112, during the car sharing period, the coverage maintained under subsection (e) of this section shall satisfy the difference in minimum coverage amounts, up to the applicable policy limits.

[(g)] (h) If an automobile liability insurance policy maintained by a shared vehicle owner or shared vehicle driver has lapsed or does not provide the coverage required pursuant to subsection [(c)] (d) of this section, the [peer-to-peer car sharing company's automobile liability insurance policy shall provide such coverage] insurance maintained by a peer-to-peer car sharing company shall provide the coverage required by subsection (d) of this section, beginning with the first dollar of a claim, and [the insurance company issuing such policy] shall have the duty to defend a claim except under circumstances as set forth in subsection (b) of this section.

[(h)] (i) Coverage under an automobile insurance policy maintained by the peer-to-peer car sharing company shall not be contingent on another automobile insurance company first denying a claim, nor shall such other insurance company be required to first deny a claim.

[(i)] (j) Nothing in this section shall:

(1) Limit the liability of the peer-to-peer car sharing company for any act or omission of the company that results in bodily injury to any

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person as a result of the use of a shared vehicle through a car sharing platform; or

(2) Limit the ability of the peer-to-peer car sharing company to contract for indemnification from the shared vehicle owner or the shared vehicle driver for economic loss sustained by the company resulting from a breach of the terms and conditions of the car sharing agreement.

Sec. 4. Section 13b-127c of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2023*):

(a) An insurance company that offers automobile liability insurance coverage in this state may offer automobile liability insurance policies to individuals that exclude any or all coverage and the duty to defend or indemnify any claim afforded under a shared vehicle owner's automobile liability insurance policy. Such exclusions may include, but are not limited to: (1) Liability coverage for bodily injury and property damage; (2) personal injury protection coverage; (3) uninsured and underinsured motorist coverage; (4) medical payments coverage; (5) comprehensive physical damage coverage; or (6) collision physical damage coverage.

(b) Nothing in this section shall be construed to: (1) Invalidate or limit an exclusion contained in an automobile liability insurance policy, including any insurance policy that excludes coverage for motor vehicles made available for rent, sharing, hire or business use, or (2) invalidate, limit or restrict an insurance [company that offers] company's ability to offer automobile liability insurance coverage to underwrite, cancel or not renew any insurance policy. Nothing in this section shall be construed to invalidate, limit or restrict an insurer's ability to cancel and not renew policies.

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Sec. 5. Section 13b-127e of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2023*):

A peer-to-peer car sharing company and a shared vehicle owner shall be exempt from vicarious liability [in accordance] consistent with 49 USC 30106, as amended from time to time, and under any state law or municipal ordinance that imposes liability solely based on vehicle ownership.

Approved May 24, 2022