



# House of Representatives

**File No. 683**

General Assembly

February Session, 2022

**(Reprint of File No. 300)**

House Bill No. 5389  
As Amended by House Amendment  
Schedule "A"

Approved by the Legislative Commissioner  
April 29, 2022

**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:

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

12 Sec. 2. Section 13b-127 of the 2022 supplement to the general statutes

13 is repealed and the following is substituted in lieu thereof (*Effective*  
14 *January 1, 2023*):

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

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

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

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

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

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

42 (6) "Shared vehicle driver" means a person authorized by the shared

43 vehicle owner to drive the shared vehicle under a car sharing  
44 agreement. "Shared vehicle driver" does not include a lessee, as that  
45 term is used in section 14-15.

46 (7) "Shared vehicle owner" means the registered owner, or a person  
47 or entity designated by the registered owner, of a vehicle made available  
48 on a peer-to-peer car sharing platform. "Shared vehicle owner" does not  
49 include a person licensed or required to be licensed pursuant to section  
50 14-15.

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

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

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

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

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

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

73 car sharing agreement; or

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

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

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

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

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

97 ~~[(c)]~~ (d) A peer-to-peer car sharing company shall ensure that, during  
98 each car sharing period, the shared vehicle owner and the shared vehicle  
99 driver are insured under an automobile liability insurance policy that:  
100 (1) Provides insurance coverage in amounts not less than the minimum  
101 amounts required by subsection (a) of section 14-112; and (2) recognizes  
102 that the shared vehicle insured under the policy is made available and  
103 used through a car sharing platform, or does not exclude the use of a

104 shared vehicle by a shared vehicle driver.

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

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

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

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

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

130 (f) If a claim occurs during the car sharing period in another state with  
131 minimum financial responsibility requirements that are higher than the  
132 minimum amounts required by subsection (a) of section 14-112, the  
133 automobile liability insurance policy maintained pursuant to subsection  
134 (d) of this section shall provide coverage to satisfy the minimum

135 amounts required by the other state, up to the applicable policy limits.]

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

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

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

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

159 (1) Limit the liability of the peer-to-peer car sharing company for any  
160 act or omission of the company that results in bodily injury to any  
161 person as a result of the use of a shared vehicle through a car sharing  
162 platform; or

163 (2) Limit the ability of the peer-to-peer car sharing company to  
164 contract for indemnification from the shared vehicle owner or the  
165 shared vehicle driver for economic loss sustained by the company

166 resulting from a breach of the terms and conditions of the car sharing  
167 agreement.

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

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

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

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

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

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	New section
Sec. 2	<i>January 1, 2023</i>	13b-127
Sec. 3	<i>January 1, 2023</i>	13b-127a
Sec. 4	<i>January 1, 2023</i>	13b-127c
Sec. 5	<i>January 1, 2023</i>	13b-127e



*The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

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### **OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:** None

### **Explanation**

The bill requires the Insurance Department and the Office of Policy and Management to prepare a report that evaluates the potential use of a captive insurance company to reduce premium rate increases for policyholders with Connecticut Partnership long-term care insurance policies. This is not anticipated to result in a fiscal impact because the agencies have the necessary expertise to prepare and submit such a report to the Insurance and Real Estate Committee by January 1, 2023.

The bill also makes various changes to statutes regarding peer-to-peer (P2P) car sharing and insurance, which are not anticipated to have a fiscal impact.

House "A" strikes the language in the underlying bill and the associated fiscal impact and replaces it with the impact described above.

### **The Out Years**

**State Impact:** None

**Municipal Impact:** None

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**OLR Bill Analysis****HB 5389 (as amended by House "A")\******AN ACT CONCERNING INSURANCE.*****SUMMARY**

This bill makes changes to the state's peer-to-peer (P2P) car sharing requirements. P2P car sharing is when people share their vehicles for compensation through a platform operated by a P2P car sharing company (e.g., Turo and Getaround).

The bill defines "P2P car sharing company" as a car sharing platform that connects owners with drivers to enable sharing vehicles for financial consideration, whereas current law defines it as a person or business entity engaged in the business of operating a car sharing platform to enable P2P car sharing in the state. As under existing law, a "car sharing platform" is a physical or electronic place, including a website or software application, that allows a shared vehicle owner to make a vehicle available for P2P car sharing. (The legal effect of changing the definition from a person or legal entity to a platform is unclear). It also explicitly excludes motor vehicle rental contracts from P2P car sharing agreements and makes other changes to exclude car rental-related terms from P2P car sharing definitions.

The bill makes minor and technical changes to the P2P car sharing insurance requirements. Among other things, it specifies that a P2P car sharing company's assumption of liability, as required under existing law, applies to bodily injury, property damage, and uninsured and underinsured motorist or personal injury protection losses by damaged third parties. It also specifies that the law does not invalidate, limit, or restrict an insurer's ability to cancel or not renew policies.

Separately, the bill requires the Insurance Department and Office of Policy and Management, within existing resources, to submit a report to the Insurance and Real Estate Committee by January 1, 2023. The report must (1) evaluate using a captive insurer to reduce premium rate increases for long-term care insurance policyholders who purchased their policies through the Connecticut Partnership for Long-Term Care and (2) include other recommendations for reducing premium rate increases for the partnership policies.

\*House Amendment "A" replaces the underlying bill, which required the Insurance Department to study insurance issues in the state.

EFFECTIVE DATE: Upon passage for the study and January 1, 2023, for the P2P car sharing provisions.

**COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable

Yea 17    Nay 0    (03/22/2022)