

Fiscal Estimate Narratives

OCI 1/6/2022

LRB Number	21-5186/1	Introduction Number	SB-783	Estimate Type	Original
Description requirements for and insurance related to peer-to-peer motor vehicle sharing programs					

Assumptions Used in Arriving at Fiscal Estimate

This bill is based on national model legislation that provides distinct and simple regulations for the peer-to-peer car sharing industry.

This bill requires the sharing program to ensure that each shared vehicle owner and driver are insured under a policy that provides coverage in amounts no less than the minimum required under Wisconsin law. This required coverage may be provided under primary insurance maintained by the shared vehicle owner, the shared vehicle driver, the sharing program, or any combination of those. The bill requires that the insurer, insurers, or sharing program providing coverage must provide primary coverage if there is a dispute about who controlled the vehicle at the time of the loss and the program does not retain information required under the bill or if there is a dispute about whether the vehicle was dropped off at a location specified in the sharing agreement. Under the bill, the sharing program's insurance must cover the loss beginning with the first dollar and has the duty to defend if the driver's or owner's insurance has lapsed or does not provide the required coverage. The bill gives the sharing program an insurable interest in the motor vehicle during the period it is being shared and allows the sharing program to own and maintain coverage specified under the bill.

The bill requires the sharing program to assume liability for the shared vehicle owner for bodily injury or property damage to third parties, or for uninsured and underinsured motorist or personal injury protection losses, in amounts stated in the sharing agreement, which cannot be less than the minimum coverage required under Wisconsin law. However, the sharing program is not required to assume liability if the vehicle owner makes an intentional or fraudulent material misrepresentation or omission or is acting in concert with a driver who fails to return the motor vehicle in accordance with the sharing agreement.

The bill allows insurers writing motor vehicle insurance to exclude coverage, including liability for bodily injury and property damage and uninsured and underinsured motorists coverage, and to refuse to defend or indemnify for any claim under a shared vehicle owner's policy.

Long-Range Fiscal Implications