
Sneed Law Firm, LLC

Memorandum

To: The Honorable Rob Olson, Chairman
Senate Financial Institution and Insurance Committee

From: William W. Sneed, Legislative Counsel
The State Farm Insurance Companies

Date: February 13, 2020

RE: SB 352

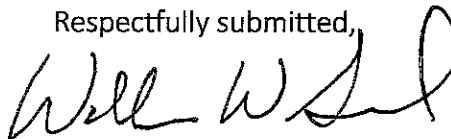
Mr. Chairman, Members of the Committee: My name is Bill Sneed and I am Legislative Counsel for the State Farm Insurance Companies ("State Farm"). State Farm is the largest insurer of homes and automobiles in Kansas. State Farm insures one out of every three cars and one out of every four homes in the United States. I am appearing today on behalf of my client to convey our support of SB 352.

Additionally, we would request that your committee consider the attached technical amendments. These have been added to clarify a couple of sections in the bill. We have provided both changes to the sponsor of the bill, and they have no objection to their inclusion.

With that, we would respectfully request that you pass S.B. 352 favorably as amended.

I am happy to answer any questions the committee might have.

Respectfully submitted,



William W. Sneed

WWS:kjb

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1 vehicle becomes subject to the control of the shared vehicle driver at or
2 after the time the reservation of a shared vehicle is scheduled to begin as
3 documented in the records of a peer-to-peer vehicle sharing program.

4 (k) "Vehicle sharing termination time" means the earliest of the
5 following events:

6 (1) The expiration of the agreed-upon period of time established for
7 the use of a shared vehicle according to the terms of the vehicle sharing
8 program agreement if the shared vehicle is delivered to the location agreed
9 upon in the vehicle sharing program agreement;

10 (2) when the shared vehicle is returned to a location as alternatively
11 agreed upon by the shared vehicle owner and shared vehicle driver as
12 communicated through a peer-to-peer vehicle sharing program; or

13 (3) when the shared vehicle owner or the shared vehicle owner's
14 authorized designee takes possession and control of the shared vehicle.

15 Sec. 3. (a) Except as provided in subsection (b), a peer-to-peer
16 vehicle sharing program shall assume liability of a shared vehicle owner
17 for bodily injury or property damage to third parties for uninsured and
18 underinsured motorist or personal injury protection losses during the
19 vehicle sharing period in amounts stated in the peer-to-peer vehicle sharing
20 program agreement that shall not be less than those set forth in K.S.A. 40-
21 3107, and amendments thereto.

22 (b) Notwithstanding the definition of "vehicle sharing termination
23 time" set forth in section 2, and amendments thereto, the assumption of
24 liability under subsection (a) shall not apply to any shared vehicle owner
25 when:

26 (1) A shared vehicle owner makes an intentional or fraudulent
27 material misrepresentation or omission of fact to the peer-to-peer vehicle
28 sharing program before the vehicle sharing period in which the loss
29 occurred; or

30 (2) acting in concert with a shared vehicle driver who fails to return
31 the shared vehicle.

32 (c) A peer-to-peer vehicle sharing program shall ensure that, during
33 each vehicle sharing period, the shared vehicle owner and the shared
34 vehicle driver are insured under a motor vehicle liability insurance policy
35 that provides insurance coverage in amounts no less than the minimum
36 amounts set forth in K.S.A. 40-3107, and amendments thereto, and the
37 policy:

38 (1) Recognizes that the vehicle insured under the policy has been
39 made available as a shared vehicle and is used through a peer-to-peer
40 vehicle sharing program; or

41 (2) does not exclude use of the vehicle by a shared vehicle driver.

42 (d) The insurance described under subsection (c) may be satisfied by
43 motor vehicle liability insurance maintained by:

primary

1 the program, the program shall notify the shared vehicle owner, that if the
2 shared vehicle has a lien against it, the use of the shared vehicle through a
3 peer-to-peer vehicle sharing program, including use without physical
4 damage coverage, could violate the terms of the contract with the
5 lienholder.

6 Sec. 5. (a) An authorized insurer that writes motor vehicle liability
7 insurance in the state may exclude any and all coverage and the duty to
8 defend or indemnify for any claim afforded under a shared vehicle owner's
9 motor vehicle liability insurance policy, including, but not limited to:

- 10 (1) Liability coverage for bodily injury and property damage;
- 11 (2) personal injury protection coverage as defined in K.S.A. 40-3103,
12 and amendments thereto;
- 13 (3) uninsured and underinsured motorist coverage;
- 14 (4) medical benefits coverage as defined in K.S.A. 40-3103, and
15 amendments thereto;
- 16 (5) comprehensive physical damage coverage; or
- 17 (6) collision physical damage coverage.

18 (b) Nothing in this section invalidates or limits an exclusion
19 contained in a motor vehicle liability insurance policy, including any
20 insurance policy in use or approved for use that excludes coverage for
21 motor vehicles made available for rent, sharing, hire or any business use.

22 Sec. 6. A peer-to-peer vehicle sharing program shall collect and
23 verify records pertaining to the use of a vehicle, including, but not limited
24 to, the times used, fees paid by the shared vehicle driver and revenues
25 received by the shared vehicle owner. The program shall provide that
26 information upon request to the shared vehicle owner, the shared vehicle
27 owner's insurer or the shared vehicle driver's insurer to facilitate a claim
28 coverage investigation. The peer-to-peer vehicle sharing program shall
29 retain the records for a time period not less than the applicable personal
30 injury statute of limitations.

31 Sec. 7. A peer-to-peer vehicle sharing program and a shared vehicle
32 owner shall be exempt from vicarious liability in accordance with 49
33 U.S.C. § 30106 and under any state or local law that imposes liability
34 solely based on vehicle ownership.

35 Sec. 8. A motor vehicle insurer that defends or indemnifies a claim
36 against a shared vehicle that is excluded under the terms of its policy shall
37 have the right to seek contribution against the motor vehicle insurer of the
38 peer-to-peer vehicle sharing program if the claim is:

- 39 (1) Made against the shared vehicle owner or the shared vehicle
40 driver for loss or injury that occurs during the vehicle sharing period; and
- 41 (2) excluded under the terms of its policy.

42 Sec. 9. (a) Notwithstanding any other law, statute, rule or regulation
43 to the contrary, a peer-to-peer vehicle sharing program shall have an

, in-app tracking, GPS
information,