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Testimony on behalf of
The American Property Casualty Insurance Association
Supporting testimony for SB 352 to the Senate FI&I Committee

Thank you, Mr. Chairman and members of the Committee. I am Larrie Ann Brown here today on behalf of The American Property Casualty Insurance Association (APCIA). We are here to provide comments in support of SB352.

Representing nearly 60 percent of the U.S. property casualty insurance market, the American Property Casualty Insurance Association (APCIA) promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association.

APCIA supports the NCOIL Peer-to-Peer Car Sharing Program Model Act. The scope of the Model Act "...is intended to govern the intersection of peer-to-peer car services and the state-regulated business of insurance. Nothing in this Act shall be construed to extend beyond insurance or have any implications for other provisions of the code of this state, including but not limited to, those related to motor vehicle regulation, airport regulation, or taxation."

SB352 largely tracks the NCOIL Model and APCIA is working with the proponents to fully conform the bill to the model. The bill sets forth standards for peer-to-peer (P2P) vehicle sharing companies to operate in the State of Kansas and ensures that there are proper safeguards in place so that consumers are protected.

The sharing economy has become a huge phenomenon in today's society, and by harnessing new and emerging technologies it has transformed the way goods and services are exchanged. Peer-to-peer vehicle sharing is an important part of this growing sharing economy. The peer-to-peer vehicle sharing model makes it possible for vehicle owners to earn extra income by making their vehicle available for others to rent for short periods of time, all through the use of mobile technology.

The Peer-to-Peer Vehicle Sharing Act:

- Defines key terms, most significantly defining the "Vehicle Sharing Period" which triggers the insurance rules in Section 3;
- Requires the P2P to assume the liability of the vehicle owner and ensure that there is primary insurance policy that specifically recognizes the vehicle is being shared (in the

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case of the vehicle owner), or does not exclude coverage (in the case of the driver) during the car sharing period;

- Requires specific disclosures to shared vehicle owners and drivers by the P2P about insurance coverage, the ability of the P2P to pursue owners and drivers for material misrepresentations, and that there may not be any coverage under the shared vehicle owner's policy for peer to peer car sharing; and
- Sets forth requirements for driver's license verification, record keeping, the P2P's responsibility for any equipment it provides participants, and auto safety recall requirements of the P2P.

For these reasons we are supportive of SB352 but request the committee give all of the interested parties the time to finalize the language of the bill to make sure that it mirrors as close as possible the negotiated language that was approved at NCOIL. Thank you for consideration of our comments.