

As Amended by House Committee

Session of 2021

HOUSE BILL No. 2379

By Committee on Insurance and Pensions

2-12

1 AN ACT concerning transportation; relating to peer-to-peer vehicle  
2 sharing; establishing insurance requirements; liability; recordkeeping  
3 requirements; consumer protection provisions; enacting the peer-to-  
4 peer vehicle sharing program act; amending K.S.A. 2020 Supp. 50-656  
5 and repealing the existing section.

6  
7 *Be it enacted by the Legislature of the State of Kansas:*

8 New Section 1. Sections 1 through 13, and amendments thereto, shall  
9 be known and may be cited as the peer-to-peer vehicle sharing program  
10 act.

11 New Sec. 2. As used in this act:

12 (a) "Act" means the peer-to-peer vehicle sharing program act.

13 (b) "Peer-to-peer vehicle sharing" means the authorized use of a  
14 shared vehicle by an individual other than the shared vehicle's owner  
15 through a peer-to-peer vehicle sharing program. "Peer-to-peer vehicle  
16 sharing" does not ~~mean~~ **include:**

17 **(1) The rental or lease of a motor vehicle for purposes of K.S.A. 79-**  
18 **5117, and amendments thereto;**

19 **(2) the use of a vehicle for demonstrations purposes; or**

20 **(3) a leased, temporarily loaned or borrowed vehicle owned by a**  
21 **new or used vehicle dealer licensed under the provisions of K.S.A. 8-**  
22 **2401 et seq., and amendments thereto.**

23 (c) "Peer-to-peer vehicle sharing program" means a business platform  
24 that connects vehicle owners with drivers to enable the sharing of vehicles  
25 for financial consideration. "Peer-to-peer vehicle sharing program" does  
26 not ~~mean~~ **include:**

27 **(1) A rental car company and does not include;**

28 **(2) a lessor, as defined in K.S.A. 50-656, and amendments thereto;**

29 **(3) a service provider who is solely providing hardware or**  
30 **software as a service to a person or entity that is not effectuating**  
31 **payment of financial consideration for use of a shared vehicle;**

32 **(4) the use of a vehicle for demonstration purposes; or**

33 **(5) a leased, temporarily loaned or borrowed vehicle owned by a**  
34 **new or used vehicle dealer licensed under the provisions of K.S.A. 8-**  
35 **2401 et seq., and amendments thereto.**

36 (d) "Vehicle sharing program agreement" means the terms and

1 conditions applicable to a shared vehicle owner, a shared vehicle driver  
2 and a peer-to-peer vehicle sharing program that govern the use of a shared  
3 vehicle through a peer-to-peer vehicle sharing program. "Vehicle sharing  
4 program agreement" does not include:

5 (1) A rental agreement, as defined in K.S.A. 50-656, and amendments  
6 thereto;

7 (2) **the use of a vehicle for demonstration purposes; or**

8 (3) **a leased, temporarily loaned or borrowed vehicle owned by a**  
9 **used or new vehicle dealer licensed under the provisions of K.S.A. 8-**  
10 **2401 et seq., and amendments thereto.**

11 (e) "Shared vehicle" means a vehicle that is available for sharing  
12 through a peer-to-peer vehicle sharing program. "Shared vehicle" does not  
13 include:

14 (1) A rental vehicle, as defined in K.S.A. 50-656, and amendments  
15 thereto;

16 (2) **a vehicle that is used for demonstration purposes; or**

17 (3) **a lease, temporarily loaned or borrowed vehicle owned by a**  
18 **new or used vehicle dealer licensed under the provisions of K.S.A. 8-**  
19 **2401 et seq., and amendments thereto.**

20 (f) "Shared vehicle driver" means an individual who has been  
21 authorized to drive the shared vehicle by the shared vehicle owner under a  
22 vehicle sharing program agreement. "Shared vehicle driver" does not  
23 include:

24 (1) A lessee, as defined in K.S.A. 50-656, and amendments thereto;

25 (2) **the operator of a vehicle that is used for demonstration**  
26 **purposes; or**

27 (3) **the operator of a leased, temporarily loaned or borrowed**  
28 **vehicle owned by a new or used vehicle dealer licensed under the**  
29 **provisions of K.S.A. 8-2401 et seq., and amendments thereto.**

30 (g) (1) "Shared vehicle owner" means the registered owner, or a  
31 person or entity designated by the registered owner, of a vehicle made  
32 available for sharing to shared vehicle drivers through a peer-to-peer  
33 vehicle sharing program.

34 (2) "Shared vehicle owner" does not include:

35 (A) A lessor, as defined in K.S.A. 50-656, and amendments thereto;

36 (B) **an owner of a vehicle that is used for demonstration purposes;**  
37 **or**

38 (C) **a leased, temporarily loaned or borrowed vehicle owned by a**  
39 **new or used vehicle dealer licensed under the provisions of K.S.A. 8-**  
40 **2401 et seq., and amendments thereto.**

41 (3) A "shared vehicle owner" is not a rental car company, a **leasing**  
42 **company** or any similar term, under any statute or rule and regulation.

43 (h) "Vehicle sharing delivery period" means the period of time during

1 which a shared vehicle is being delivered to the location of the vehicle  
2 sharing start time, if applicable, as documented by the governing vehicle  
3 sharing program agreement.

4 (i) "Vehicle sharing period" means the period of time that commences  
5 with the vehicle sharing delivery period or, if there is no vehicle sharing  
6 delivery period, that commences with the vehicle sharing start time and, in  
7 either case, that ends at the vehicle sharing termination time.

8 (j) "Vehicle sharing start time" means the time when the shared  
9 vehicle becomes subject to the control of the shared vehicle driver at or  
10 after the time the reservation of a shared vehicle is scheduled to begin as  
11 documented in the records of a peer-to-peer vehicle sharing program.

12 (k) "Vehicle sharing termination time" means the earliest of the  
13 following events:

14 (1) The expiration of the agreed-upon period of time established for  
15 the use of a shared vehicle according to the terms of the vehicle sharing  
16 program agreement if the shared vehicle is delivered to the location agreed  
17 upon in the vehicle sharing program agreement;

18 (2) when the shared vehicle is returned to a location as alternatively  
19 agreed upon by the shared vehicle owner and shared vehicle driver as  
20 communicated through a peer-to-peer vehicle sharing program **and such**  
21 **alternatively agreed upon location is incorporated into the vehicle**  
22 **sharing program agreement**; or

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

25 New Sec. 3. (a) Except as provided in subsection (b), a peer-to-peer  
26 vehicle sharing program shall assume liability of a shared vehicle owner  
27 for bodily injury or property damage to third parties for uninsured and  
28 underinsured motorist or personal injury protection losses during the  
29 vehicle sharing period in amounts stated in the peer-to-peer vehicle sharing  
30 program agreement that shall not be less than those set forth in K.S.A. 40-  
31 3107, and amendments thereto.

32 (b) Notwithstanding the definition of "vehicle sharing termination  
33 time" as defined in section 2, and amendments thereto, the assumption of  
34 liability under subsection (a) shall not apply to any shared vehicle owner  
35 when:

36 (1) A shared vehicle owner makes an intentional or fraudulent  
37 material misrepresentation or omission of fact to the peer-to-peer vehicle  
38 sharing program before the vehicle sharing period in which the loss  
39 occurred; or

40 (2) acting in concert with a shared vehicle driver who fails to return  
41 the shared vehicle pursuant to the terms of the vehicle sharing program  
42 agreement.

43 (c) Notwithstanding the definition of "vehicle sharing termination

1 time" as defined in section 2, and amendments thereto, the assumption of  
2 liability under subsection (a) shall apply to bodily injury, property damage,  
3 uninsured and underinsured motorist or personal injury protection losses  
4 by damaged third parties as required by K.S.A. 40-3107, and amendments  
5 thereto.

6 (d) A peer-to-peer vehicle sharing program shall ensure that, during  
7 each vehicle sharing period, the shared vehicle owner and the shared  
8 vehicle driver are insured under a motor vehicle liability insurance policy  
9 that provides insurance coverage in amounts not less than the minimum  
10 amounts set forth in K.S.A. 40-3107, and amendments thereto, and the  
11 policy:

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

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

16 (e) The insurance described under subsection (d) may be satisfied by  
17 motor vehicle liability insurance maintained by a:

18 (1) Shared vehicle owner;

19 (2) shared vehicle driver;

20 (3) peer-to-peer vehicle sharing program;

21 (4) shared vehicle owner and a peer-to-peer vehicle sharing program;

22 or

23 (5) shared vehicle driver and a peer-to-peer vehicle sharing program.

24 (f) The insurance described under subsection (e) that satisfies the  
25 insurance requirement of subsection (d) shall be primary during each  
26 vehicle sharing period. **In the event that a claim occurs in another state  
27 with insurance policy coverage amounts that exceed the minimum  
28 amounts set forth in K.S.A. 40-3107, and amendments thereto, during  
29 the vehicle sharing period, the coverage maintained under subsection  
30 (e) shall satisfy the difference in minimum coverage amounts up to the  
31 applicable policy limits.**

32 (g)-(h) The **insurer or** peer-to-peer vehicle sharing program shall  
33 assume primary liability for a claim when it is in whole or in part  
34 providing the insurance required under subsections (d) and (e) and:

35 ~~(A)(1)~~ A dispute exists as to who was in control of the shared vehicle  
36 at the time of the loss **or a dispute exists as to whether the shared  
37 vehicle was returned to the alternatively agreed upon location as  
38 required by section 2(k), and amendments thereto;** and

39 ~~(B)(2)~~ the peer-to-peer vehicle sharing program does not have  
40 available, did not retain or fails to provide the information required under  
41 section 6, and amendments thereto.

42 ~~(2) The shared vehicle's insurer shall indemnify the peer-to-peer  
43 vehicle sharing program to the extent of its obligation under, if any, the~~

1 ~~applicable insurance policy, if it is determined that the shared vehicle's~~  
2 ~~owner was in control of the shared vehicle at the time of the loss.~~

3 (h) If insurance maintained by a shared vehicle owner or shared  
4 vehicle driver in accordance with subsection (e) has lapsed or does not  
5 provide the required coverage, then insurance maintained by a peer-to-peer  
6 vehicle sharing program shall provide the coverage required by subsection  
7 (d) beginning with the first dollar of a claim and shall have the duty to  
8 defend such claim except under circumstances described in subsection (b).

9 (i) Coverage under a motor vehicle liability insurance policy  
10 maintained by the peer-to-peer vehicle sharing program shall not be  
11 dependent on another motor vehicle insurer first denying a claim nor shall  
12 another motor vehicle insurance policy be required to first deny a claim.

13 (j) Nothing in this section shall be construed to:

14 (1) Limit the liability of the peer-to-peer vehicle sharing program for  
15 any act or omission of the peer-to-peer vehicle sharing program itself that  
16 results in injury to any person as a result of the use of a shared vehicle  
17 through the peer-to-peer vehicle sharing program; or

18 (2) limit the ability of the peer-to-peer vehicle sharing program to  
19 contractually seek indemnification from the shared vehicle owner or the  
20 shared vehicle driver for economic loss sustained by the peer-to-peer  
21 vehicle sharing program resulting from a breach of the terms and  
22 conditions of the vehicle sharing program agreement.

23 New Sec. 4. Between the time that a vehicle owner registers as a  
24 shared vehicle owner on a peer-to-peer vehicle sharing program and the  
25 time that the shared vehicle owner makes a vehicle available as a shared  
26 vehicle on the program, the program shall notify the shared vehicle owner  
27 that if the shared vehicle has a lien against it, the use of the shared vehicle  
28 through a peer-to-peer vehicle sharing program, including use without  
29 physical damage coverage, could violate the terms of the contract with the  
30 lienholder.

31 New Sec. 5. (a) An authorized insurer that writes motor vehicle  
32 liability insurance in the state may exclude any and all coverage and the  
33 duty to defend or indemnify for any claim afforded under a shared vehicle  
34 owner's motor vehicle liability insurance policy, including, but not limited to:  
35

- 36 (1) Liability coverage for bodily injury and property damage;
- 37 (2) personal injury protection coverage as defined in K.S.A. 40-3103,  
38 and amendments thereto;
- 39 (3) uninsured and underinsured motorist coverage;
- 40 (4) medical benefits coverage as defined in K.S.A. 40-3103, and  
41 amendments thereto;
- 42 (5) comprehensive physical damage coverage; and
- 43 (6) collision physical damage coverage.

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

5 **(c) Nothing in this section invalidates, limits or restricts an**  
6 **insurer's ability under existing law to underwrite any insurance policy**  
7 **or to cancel and non-renew insurance policies.**

8 New Sec. 6. A peer-to-peer vehicle sharing program shall collect and  
9 verify records pertaining to the use of a vehicle, including, but not limited to,  
10 times used, **vehicle sharing period pick up and drop off locations**,  
11 fees paid by the shared vehicle driver and revenues received by the shared  
12 vehicle owner. The program shall provide such information upon request  
13 to the shared vehicle owner, the shared vehicle owner's insurer or the  
14 shared vehicle driver's insurer to facilitate a claim coverage investigation,  
15 **settlement, negotiation or litigation.** The peer-to-peer vehicle sharing  
16 program shall retain such records for a period of time not less than the  
17 applicable personal injury statute of limitations.

18 New Sec. 7. A peer-to-peer vehicle sharing program and a shared  
19 vehicle owner shall be exempt from vicarious liability consistent with 49  
20 U.S.C. § 30106 and under any state or local law that imposes liability  
21 based solely on vehicle ownership.

22 New Sec. 8. A motor vehicle insurer that defends or indemnifies a  
23 claim against a shared vehicle that is excluded under the terms of its policy  
24 shall have the right to seek ~~contribution~~ **recovery** against the motor  
25 vehicle insurer of the peer-to-peer vehicle sharing program if the claim is:

26 (1) Made against the shared vehicle owner or the shared vehicle  
27 driver for loss or injury that occurs during the vehicle sharing period; and

28 (2) excluded under the terms of its policy.

29 New Sec. 9. (a) Notwithstanding any other law, statute, rule or  
30 regulation to the contrary, a peer-to-peer vehicle sharing program shall  
31 have an insurable interest in a shared vehicle during the vehicle sharing  
32 period.

33 (b) Nothing in this section shall be construed to require that a peer-to-  
34 peer vehicle sharing program maintain the coverage mandated by section  
35 3, and amendments thereto.

36 (c) A peer-to-peer vehicle sharing program may own and maintain as  
37 the named insured one or more policies of motor vehicle liability insurance  
38 that provides coverage for:

39 (1) Liabilities assumed by the peer-to-peer vehicle sharing program  
40 under a peer-to-peer vehicle sharing program agreement;

41 (2) any liability of the shared vehicle owner;

42 (3) damage or loss to the shared motor vehicle; or

43 (4) any liability of the shared vehicle driver.

1 New Sec. 10. (a) Every vehicle sharing program agreement made in  
2 the state of Kansas shall disclose the following information to the shared  
3 vehicle owner and the shared vehicle driver, as appropriate:

4 (1) Any right of the peer-to-peer vehicle sharing program to seek  
5 indemnification from the shared vehicle owner or the shared vehicle driver  
6 for economic loss sustained by the peer-to-peer vehicle sharing program  
7 resulting from a breach of the terms and conditions of the vehicle sharing  
8 program agreement;

9 (2) a motor vehicle liability insurance policy issued to the shared  
10 vehicle owner for the shared vehicle or to the shared vehicle driver does  
11 not provide a defense or indemnification for any claim asserted by the  
12 peer-to-peer vehicle sharing program;

13 (3) the peer-to-peer vehicle sharing program's insurance coverage on  
14 the shared vehicle owner and the shared vehicle driver is in effect only  
15 during each vehicle sharing period and that, for any use of the shared  
16 vehicle by the shared vehicle driver after the vehicle sharing termination  
17 time, the shared vehicle driver and the shared vehicle owner may not have  
18 insurance coverage;

19 (4) the daily rate, fees and, if applicable, any insurance or protection  
20 package costs that are charged to the shared vehicle owner or the shared  
21 vehicle driver;

22 (5) the shared vehicle owner's motor vehicle liability insurance may  
23 not provide coverage for a shared vehicle; and

24 (6) if there are conditions under which a shared vehicle driver must  
25 maintain a personal motor vehicle liability insurance policy with certain  
26 applicable coverage limits on a primary basis in order to reserve a shared  
27 motor vehicle.

28 (b) Every vehicle sharing program agreement made in the state of  
29 Kansas shall also provide an emergency telephone number to personnel  
30 capable of fielding roadside assistance and other customer service  
31 inquiries.

32 New Sec. 11. (a) A peer-to-peer vehicle sharing program shall not  
33 enter into a peer-to-peer vehicle sharing program agreement with a driver  
34 unless the driver who will operate the shared vehicle:

35 (1) Holds a driver's license issued by the state of Kansas that  
36 authorizes the driver to operate vehicles of the class of the shared vehicle;

37 (2) is a nonresident who:

38 (A) Has a driver's license issued by the state or country of the driver's  
39 residence that authorizes the driver in that state or country to drive  
40 vehicles of the class of the shared vehicle; and

41 (B) is at least the legal age required of a resident to drive in the state  
42 of Kansas; or

43 (3) otherwise is specifically authorized by the state of Kansas to drive

1 vehicles of the class of the shared vehicle.

2 (b) A peer-to-peer vehicle sharing program shall maintain a record of  
3 the name, address, driver's license number and place of issuance of the  
4 driver's license of the shared vehicle driver and every other person, if any,  
5 who will also drive the shared vehicle.

6 New Sec. 12. A peer-to-peer vehicle sharing program shall have sole  
7 responsibility for any equipment, such as a GPS system or other special  
8 equipment, that is installed in or on the shared vehicle to monitor or  
9 facilitate the vehicle sharing transaction, and shall agree to indemnify and  
10 hold harmless the shared vehicle owner for any damage to or theft of such  
11 equipment during the vehicle sharing period not caused by the shared  
12 vehicle owner. The peer-to-peer vehicle sharing program shall have the  
13 right to seek indemnity from the shared vehicle driver for any loss or  
14 damage to such equipment that occurs during the sharing period.

15 New Sec. 13. (a) After the time that a vehicle owner registers as a  
16 shared vehicle owner on a peer-to-peer vehicle sharing program but before  
17 the time that the shared vehicle owner makes a vehicle available as a  
18 shared vehicle on the peer-to-peer vehicle sharing program, the peer-to-  
19 peer vehicle sharing program shall:

20 (1) Verify that the shared vehicle does not have any safety recalls for  
21 which repairs correcting the safety recalls have not been made; and

22 (2) notify the shared vehicle owner of the requirements under  
23 subsection (b).

24 (b) (1) If a vehicle owner has received an actual notice of a safety  
25 recall on the owner's vehicle, the owner may not make such vehicle  
26 available as a shared vehicle on a peer-to-peer vehicle sharing program  
27 until the safety recall repair has been made.

28 (2) If a shared vehicle owner receives an actual notice of a safety  
29 recall on a shared vehicle while the shared vehicle is available on the peer-  
30 to-peer vehicle sharing program, the shared vehicle owner shall remove  
31 the shared vehicle from the peer-to-peer vehicle sharing program as soon  
32 as practicable after receiving the notice of the safety recall and shall not  
33 replace such vehicle on the peer-to-peer vehicle sharing program until the  
34 safety recall repair has been made.

35 (3) If a shared vehicle owner receives an actual notice of a safety  
36 recall while the shared vehicle is being used and is in the possession of a  
37 shared vehicle driver, as soon as practicable after receiving the notice of  
38 the safety recall, the shared vehicle owner shall notify the peer-to-peer  
39 vehicle sharing program about the safety recall so that the shared vehicle  
40 owner may address the safety recall repair.

41 Sec. 14. K.S.A. 2020 Supp. 50-656 is hereby amended to read as  
42 follows: 50-656. (a) "Authorized driver" means:

43 (1) The lessee;



1 (2) the lessee's spouse if such spouse is a licensed driver and satisfies  
2 the lessor's minimum age requirement;

3 (3) any person who operates the vehicle during an emergency  
4 situation; or

5 (4) any person listed by the lessor on such lessee's contract as an  
6 authorized driver.

7 (b) "Collision damage waiver" means any contract or contractual  
8 provision, whether separate from or a part of a motor vehicle rental  
9 agreement, whereby the lessor agrees for a charge, to waive any and all  
10 claims against the lessee for any damage to the rental motor vehicle during  
11 the term of the rental agreement.

12 (c) "Lessor" means any person or organization in the business of  
13 providing rental motor vehicles to the public. *"Lessor" does not include a*  
14 *peer-to-peer vehicle sharing program, as defined in section 2, and*  
15 *amendments thereto, or a shared vehicle owner, as defined in section 2,*  
16 *and amendments thereto.*

17 (d) "Lessee" means any person or organization obtaining the use of a  
18 rental motor vehicle from a lessor under the terms of a rental agreement.  
19 *"Lessee" does not include a "shared vehicle driver" as defined in section*  
20 *2, and amendments thereto.*

21 (e) "Rental agreement" means any written agreement setting forth the  
22 terms and conditions governing the use of the rental motor vehicle by the  
23 lessee for a period of 60 days or less. *"Rental agreement" does not include*  
24 *a vehicle sharing program agreement, as defined in section 2, and*  
25 *amendments thereto.*

26 (f) "Rental motor vehicle" means a private passenger type vehicle or  
27 commercial type vehicle which, upon execution of a rental agreement, is  
28 made available to a lessee for the lessee's use. *"Rental motor vehicle" does*  
29 *not include a shared vehicle, as defined in section 2, and amendments*  
30 *thereto.*

31 Sec. 15. K.S.A. 2020 Supp. 50-656 is hereby repealed.

32 Sec. 16. This act shall take effect and be in force from and after  
33 January 1, 2022, and its publication in the statute book.