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**Senate Committee on Insurance and Small Business
Testimony on Senate Bill 386:
Peer-to-Peer Car Sharing
September 21, 2023**

Thank you Madam Chair and members of the Committee for the opportunity to testify on Senate Bill 386. This bill is about creating an insurance framework for vehicles used with Peer-to-Peer Car Sharing.

Peer-to-Peer (P2P) car sharing is a car rental model where individuals can rent their privately-owned vehicles to other individuals when they are not in use. Online platforms or mobile apps connect car owners with people who need to rent a car for a short period, typically by the hour or day. It's an interesting way to have access to a variety of vehicles, from economy cars to luxury vehicles and even unique or specialty cars. And car owners can earn extra income by renting out their vehicles when they are not using them.

As you might expect, the framework for insuring a vehicle in a P2P sharing program is not as developed as traditional vehicle rentals. That's what we're creating with SB 386. The legislation closely follows the National Conference of Insurance Legislators (NCOIL) model bill, but tailors it to Wisconsin's requirements and negotiations between interested parties. The legislation is lengthy, but I do want to touch on just a few things.

First, insurance minimums. This bill requires that, between the P2P Sharing Company, the driver, and the vehicle owner, cars offered on a P2P platform carry sufficient insurance. The bill tracks Wisconsin's minimum insurance laws, and is tailored to automatically adjust if the legislature ever chooses to change our minimums.

Second, covering claims in case of a dispute. The bill specifies that the program's insurance should be the primary coverage provider in various dispute scenarios and must cover losses and legal defense from the outset, even if personal insurance is unavailable or disputed. It also establishes the program's financial interest in the vehicles and their responsibility for maintaining appropriate insurance coverage.

Third, common-sense consumer safety. The legislation requires the sharing program to verify that the vehicle is not the subject of a recall, and that a shared vehicle owner who receives a recall notice must remove the vehicle from the program until all repairs are made. If the vehicle is being shared when a notice is received, the vehicle owner must notify the sharing program.

Thank you for your time and consideration of this legislation. I'm happy to take any questions you might have.



September 21, 2023

The Honorable Mary Feltzkowski, Chair
Senate Committee on Insurance and Small Business

RE: Turo's testimony in support of SB 386

Chair Feltzkowski, Vice-Chair Hutton and distinguished Members of the Senate Committee on Insurance and Small Business.

On behalf of Turo and our community of hosts and guests in Wisconsin, I would like to thank you for the opportunity to submit testimony in support of SB 386. Your time, effort and consideration are sincerely appreciated.

Turo is an online and app based peer-to-peer car sharing marketplace that connects Wisconsin car owners with those who are in need of a form of transportation. The beauty of Turo is that it provides hosts the opportunity to earn a little extra income by sharing their personal vehicle and guarantees guests the exact make and model of their choosing.

Turo is proud to be made possible by a vast community of hosts and guests from all over Wisconsin. Our unique community is made up of veterans, police officers, teachers, and nurses. Turo provides these Wisconsin car owners an economic opportunity to utilize an asset that would otherwise sit idle in their driveway. By doing so, Turo hosts have the ability to use their earnings from sharing their car to help offset the cost of their monthly car payment, housing costs, student loans or medical bills.

The bill before this Committee today is sensible and comprehensive model legislation that would regulate the emerging industry of peer-to-peer car sharing. Based on the Peer-to-Peer Car Sharing Program Model Act adopted by the National Council of Insurance Legislators and enacted in over a dozen states, SB 386 was agreed upon through extensive negotiations with stakeholders nationally and in Wisconsin.

SB 386 ensures that there are robust measures for insurance coverage, consumer safety, transparent pricing, and roadside assistance for every Wisconsinite that chooses to use peer-to-peer car sharing. The bill creates an insurance framework that protects shared car owners, drivers, and the broader community. This framework requires appropriate insurance coverage throughout the duration of the car sharing period and ensures that no gaps in coverage can exist.

Turo and our community of Wisconsin peer-to-peer car sharing residents are appreciative of the legislature's interest in protecting consumers' right to the free market while also establishing

sensible rules for the road. Thank you for the opportunity to provide this written testimony. For the reasons stated above, we encourage this committee to support SB 386.

Thank you for your time, effort and consideration.

Sincerely,

Kinza Malik
kmalik@turo.com
Turo Government Relations

(Faint signature)

September 21, 2023
The Honorable Mary Feltzkowski, Chair
Senate Committee on Insurance and Small Business

RE: Selina Leitner's testimony in support of SB 386

Chair Feltzkowski, Vice-Chair Hutton and distinguished Members of the Senate Committee on Insurance and Small Business.

My name is Selina Leitner and I am a resident of Appleton, WI. I'm a full time real estate agent and have been a proud Turo host since 2018. I share my white Jeep available right on State Street with locals and visitors in need of transportation.

My first experience with peer-to-peer car sharing was on a trip to Las Vegas with a girlfriend of mine. She'd booked a beautiful convertible from a local Las Vegas host through Turo. The car was affordable and unique, elevating our experience and making it more memorable. I couldn't believe how easy and accessible it was to book a cool car for our trip, while also putting dollars in the pocket of a Vegas local. I started to think about my car back home and how I could utilize peer-to-peer car sharing as a host.

At the time, I had a beat up car and was waiting to upgrade it. I realized that if I bought my dream car, a white Jeep, I could share it on Turo a few times a month and be able to afford my monthly car payment, and that's exactly what happened. I purchased my Jeep, paid the full sales tax and registration fees to the state, and listed my car on Turo. Being a host has enabled me to supplement my income and offset the cost of my dream car, while giving back to my local community and travelers to Wisconsin alike by offering a mobility solution.

By sharing my car on Turo, I've had the opportunity to meet some incredible people. At the height of the lockdown here in Wisconsin, when it was impossible to find a rental car, I had a guest who was a traveling nurse who needed a car to get her from hospital to hospital. Peer-to-peer car sharing was the only affordable option available and I was thrilled to share my Jeep with her at a difficult time for us all, highlighting the power of leveraging community to lift one another up.

As you can see, I am not a rental car company but just a regular Wisconsin resident who is trying to make enough money to pay for my car payment every month. Peer-to-peer car sharing has improved my life and the lives of Wisconsinites all over the state. I'm asking the committee to support SB 386, a bill that sets forth a sensible regulatory framework for peer-to-peer car sharing and ensures that Wisconsin residents like me can continue to earn a little extra money each month. Thank you for doing the right thing for your constituents by supporting SB 386.

Thank you for your time and consideration,

Selina Leitner



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September 7, 2023

Improving AB-395/SB-386's Insurance Requirements

AB-395/SB-386 creates unnecessary confusion regarding the adequacy, applicability, and primacy of the liability insurance coverage required under the bill. Moreover, the bill allows insurance coverage to be cancelled based on the actions of the vehicle owner that have nothing to do with third parties, leaving third parties potentially responsible for damages and injuries caused by a shared vehicle driver.

The bill should be amended to provide adequate, modern levels of insurance coverage and more clarity over whose insurance is responsible in the event of a crash.

AB-395/SB-386 Does Not Require Adequate Insurance Coverage. This bill only requires the peer-to-peer (P2P) company to assume liability to the state minimum limits under Wis. Stat. § 344.33 (2). Wisconsin's current insurance limits, set in 1982, do not provide nearly enough coverage to cover medical bills and property damage stemming from crashes involving shared cars. Given that these cars are more likely to be driven by unfamiliar and infrequent drivers, more coverage should be required as a matter of sound public policy. Several states have either required the P2P company to assume all liability whereas others have imposed greater minimum coverage requirements. We encourage committee members to consider higher limits.

The Bill Departs from Successful Model in use for Transportation Network Companies (Uber, Lyft, et al.). Rideshare vehicles that feature a driver like Uber and Lyft are required by law to have insurance that provides \$1 million in coverage for death, bodily injury, and property damage. We encourage this committee to amend the bill to adopt this structure as applied to P2P car sharing.

AB-395/SB-386 Creates Unnecessarily Complex Series of Choices Over the Primary Insurance Policy. The bill should make clear who is responsible for providing insurance. Right now, the bill creates a series of complex choices making it unclear when and whose insurance applies.

The Bill Could Terminate Insurance Coverage to Injured Third Parties. This bill potentially allows insurance coverage to be dropped if a vehicle owner makes a misrepresentation to the peer-to-peer company. The terms are not well defined but also an alleged misrepresentation by a vehicle owner also means that a P2P carrier is not required to assume liability. In a situation like this, it is also likely that there will be disputes over the coverage, meaning that injured third parties, including pedestrians and other drivers, may be left holding the bag.

P2P Companies Should Be Responsible for Ensuring Unsafe Vehicles are Not on Platform. P2P companies are the party most likely to be able to monitor vehicle safety notices and recalls. The bill should require that the company remove vehicles with open recall notices from its platforms until necessary repairs are made. The responsibility should not be on the vehicle owner.