

ASSEMBLY BILL

No. 2293

Introduced by Assembly Member Bonilla

February 21, 2014

An act to amend Section 11580.24 of the Insurance Code, relating to motor vehicle insurance coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 2293, as introduced, Bonilla. Private passenger motor vehicle insurance coverage: personal vehicle sharing.

Existing law prohibits a private passenger motor vehicle, as defined, from being classified for insurance purposes as a commercial, for-hire, permissive use vehicle, or livery solely on the basis of it being used for personal vehicle sharing, as defined, if the annual revenue received by the vehicle's owner that is generated by personal vehicle sharing does not exceed the annual expenses of owning and operating the vehicle and the personal vehicle sharing is conducted pursuant to a personal vehicle sharing program.

This bill would make technical, nonsubstantive changes to those provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 11580.24 of the Insurance Code is
- 2 amended to read:
- 3 11580.24. (a) ~~No~~A private passenger motor vehicle insured
- 4 by its owner pursuant to a policy of insurance subject to Section

1 11580.1 or 11580.2 shall *not* be classified as a commercial vehicle,
2 for-hire vehicle, permissive use vehicle, or livery solely because
3 its owner allows it to be used for personal vehicle sharing ~~as long~~
4 ~~as if~~ all of the following circumstances apply:

5 (1) The personal vehicle sharing is conducted pursuant to a
6 personal vehicle sharing program.

7 (2) The annual revenue received by the vehicle's owner ~~which~~
8 *that* was generated by the personal vehicle sharing of the vehicle
9 does not exceed the annual expenses of owning and operating the
10 vehicle, including depreciation, interest, lease payments, auto loan
11 payments, insurance, maintenance, parking, fuel, cleaning,
12 automobile repair, and costs associated with personal vehicle
13 sharing, including, but not limited to, the installation, operation,
14 and maintenance of computer hardware and software, signage
15 identifying the vehicle as a personal sharing vehicle, and any fees
16 charged by a personal vehicle sharing program.

17 (3) The owner of the private passenger motor vehicle does not
18 knowingly place the vehicle into commercial use, as defined by
19 Section 675.5, by a personal vehicle sharing user while engaged
20 in personal vehicle sharing.

21 (b) For purposes of this section the following definitions apply:

22 (1) "Personal vehicle sharing" means the use of private
23 passenger motor vehicles by persons other than the vehicle's owner,
24 in connection with a personal vehicle sharing program.

25 (2) "Personal vehicle sharing program" means a legal entity
26 qualified to do business in the State of California engaged in the
27 business of facilitating the sharing of private passenger vehicles
28 for noncommercial use by individuals within the state.

29 (3) "Private passenger motor vehicle" means a vehicle that is
30 insured, or is subject to being insured, under a personal automobile
31 liability insurance policy insuring a single individual or individuals
32 residing in the same household, as the named insured, or meets
33 the requirements of Section 16058 of the Vehicle Code, but does
34 not include a vehicle with fewer than four wheels.

35 (c) A personal vehicle sharing program shall, for each vehicle
36 that it facilitates the use of, do all of the following:

37 (1) During all times that the vehicle is engaged in personal
38 vehicle sharing, provide insurance coverages for the vehicle and
39 operator of the vehicle that are equal to or greater than the
40 insurance coverages maintained by the vehicle owner and reported

1 to the personal vehicle sharing program. However, the personal
2 vehicle sharing program shall not provide liability coverage less
3 than three times the minimum insurance requirements for private
4 passenger vehicles. Compliance with the terms and conditions of
5 this paragraph shall be deemed to avoid the application of the
6 limitation on damage recoveries set forth in Section 3333.4 of the
7 Civil Code.

8 (2) Provide the registered owner of the vehicle with a
9 Department of Motor Vehicles Form REG 5085 or other suitable
10 proof of compliance with the insurance requirements of this section
11 and the requirements of the California Financial Responsibility
12 Law in Section 1656.2 of the Vehicle Code, a copy of which shall
13 be maintained in the vehicle by the vehicle's registered owner
14 during any time when the vehicle is operated by any person other
15 than the vehicle's owner pursuant to a personal vehicle sharing
16 program.

17 (3) Collect, maintain, and make available to the vehicle's owner,
18 the vehicle owner's primary automobile liability insurer on file
19 with the Department of Motor Vehicles, and to any other
20 government agency as required by law, at the cost of the personal
21 vehicle sharing program, verifiable electronic records that identify
22 the date, time, initial and final locations of the vehicle, and miles
23 driven when the vehicle is under the control of a person other than
24 the vehicle's owner pursuant to a personal vehicle sharing program.

25 (4) Provide the vehicle's owner and any person that operates
26 the vehicle pursuant to a personal vehicle sharing program with a
27 disclosure that contains information explaining the terms and
28 conditions contained in this section.

29 (5) Not knowingly permit the vehicle to be operated for
30 commercial use by a personal vehicle sharing user while engaged
31 in personal vehicle sharing.

32 (6) Use only private passenger vehicles.

33 (7) Facilitate the installation, operation, and maintenance of
34 computer hardware and software and signage, necessary for a
35 vehicle to be used in a personal vehicle sharing program, including
36 payment of the cost of damage or theft of that equipment and any
37 damage caused to the vehicle by the installation, operation, and
38 maintenance of that equipment.

39 (d) Notwithstanding any other ~~provision of law or any provision~~
40 in a private passenger motor vehicle owner's automobile insurance

1 policy, in the event of a loss or injury that occurs during ~~any a~~
 2 time period when the vehicle is under the operation and control of
 3 a person, other than the vehicle owner, pursuant to a personal
 4 vehicle sharing program, or otherwise under the control of a
 5 personal vehicle sharing program, the personal vehicle sharing
 6 program shall assume all liability of the owner and shall be
 7 considered the owner of the vehicle for all purposes. Nothing in
 8 this section limits the liability of the personal vehicle sharing
 9 program for its acts or omissions that result in injury to any persons
 10 as a result of the use or operation of a personal vehicle sharing
 11 program.

12 (e) A personal vehicle sharing program shall continue to be
 13 liable pursuant to subdivision (d) until both of the following occur:

14 (1) The private passenger motor vehicle is returned to a location
 15 designated by the personal vehicle sharing program.

16 (2) The earliest of one of the following occurs:

17 (A) The expiration of the time period established for the
 18 particular use of the vehicle.

19 (B) The intent to terminate the personal vehicle sharing use is
 20 verifiably communicated to the personal vehicle sharing program.

21 (C) The vehicle’s owner takes possession and control of the
 22 vehicle.

23 (f) The personal vehicle sharing program shall assume liability
 24 for a claim in which a dispute exists as to who was in control of
 25 the vehicle when the loss occurred giving rise to the claim, and
 26 the vehicle’s private passenger motor vehicle insurer shall
 27 indemnify the personal vehicle sharing program to the extent of
 28 its obligation under the applicable insurance policy, if it is
 29 determined that the vehicle’s owner was in control of the vehicle
 30 at the time of the loss.

31 (g) ~~In the event that~~ *If* the owner of the vehicle is named as a
 32 defendant in a civil action, for a loss or injury that occurs during
 33 ~~any a~~ time period when the vehicle is under the operation and
 34 control of a person, other than the vehicle’s owner, pursuant to a
 35 personal vehicle sharing program, or otherwise under the control
 36 of a personal vehicle sharing program, the personal vehicle sharing
 37 program shall have the duty to defend and indemnify the vehicle’s
 38 owner, subject to the provisions of subdivisions (d) and (f).

39 (h) Notwithstanding any other ~~provision of~~ law or any provision
 40 in a vehicle owner’s automobile liability insurance policy, while

1 a private passenger motor vehicle is used by a person other than
2 its owner pursuant to personal vehicle sharing facilitated through
3 a personal vehicle sharing program, all of the following shall apply:

4 (1) The insurer of that vehicle on file with the Department of
5 Motor Vehicles may exclude any and all coverage afforded
6 pursuant to its policy.

7 (2) The primary and excess insurer or insurers of the owners,
8 operators, and maintainers of the private passenger motor vehicle
9 used in a personal vehicle sharing program shall have the right to
10 notify an insured that it has no duty to defend or indemnify any
11 person or organization for liability for any loss that occurs during
12 use of the vehicle in a personal vehicle sharing program.

13 (i) No policy of insurance that is subject to Section 11580.1 or
14 11580.2 shall be canceled, voided, terminated, rescinded, or
15 nonrenewed solely on the basis that the private passenger motor
16 vehicle has been made available for personal vehicle sharing
17 pursuant to a personal vehicle sharing program that is in
18 compliance with the provisions of this section.

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