

A close-up, slightly blurred photograph of a hand resting on a steering wheel. The steering wheel features a circular logo in the center, which is the 'Big I' logo for Big I New York. The background is a soft, out-of-focus grey.

NEW YORK CHANGES: PEER-TO-PEER CAR SHARING

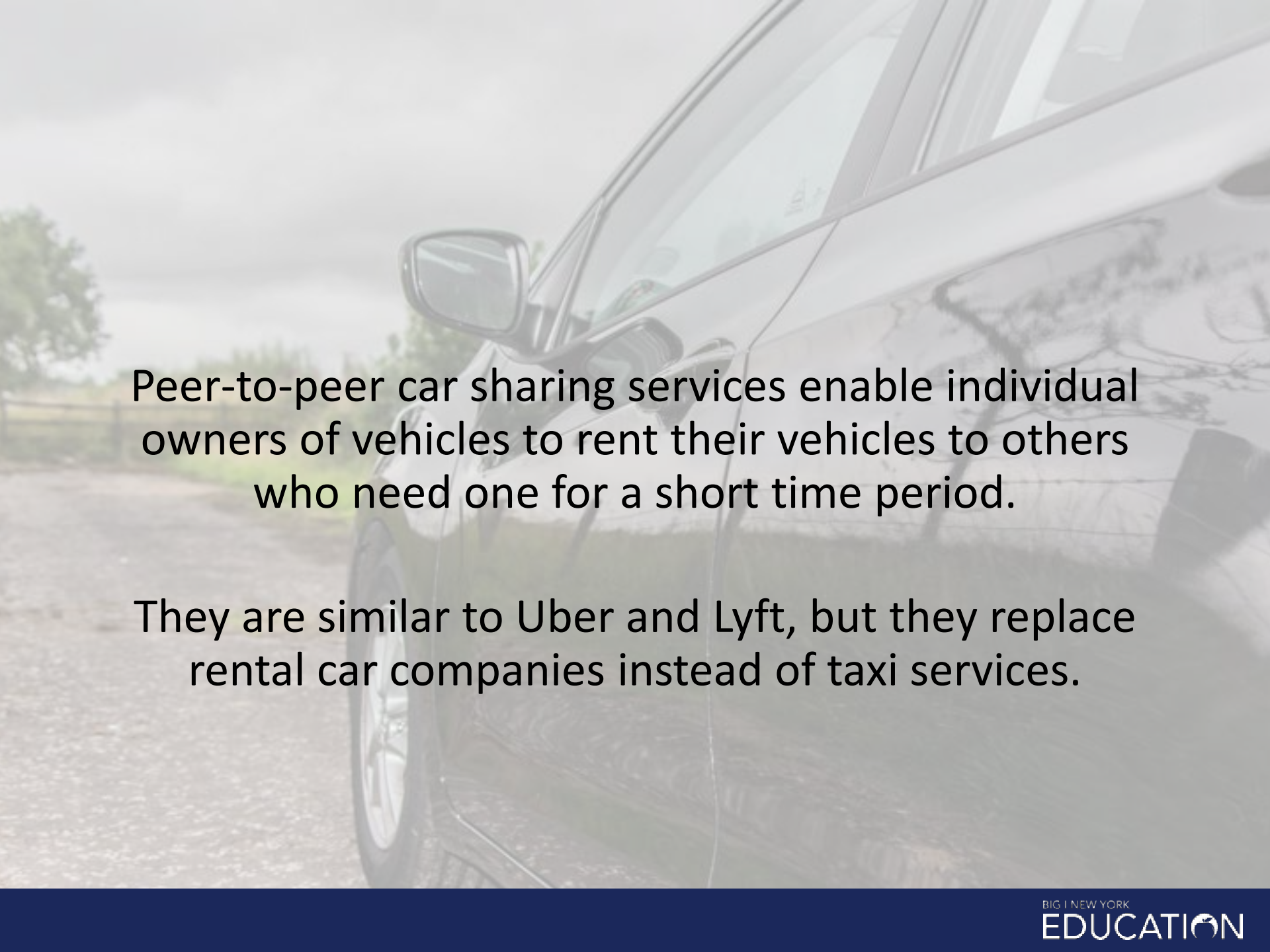
Big I New York

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A law that took effect June 18, 2022 permits peer-to-peer car sharing services to operate in New York State.




Insurers are likely to exclude coverage for these rentals on your clients' auto insurance policies. However, group insurance coverage may apply.

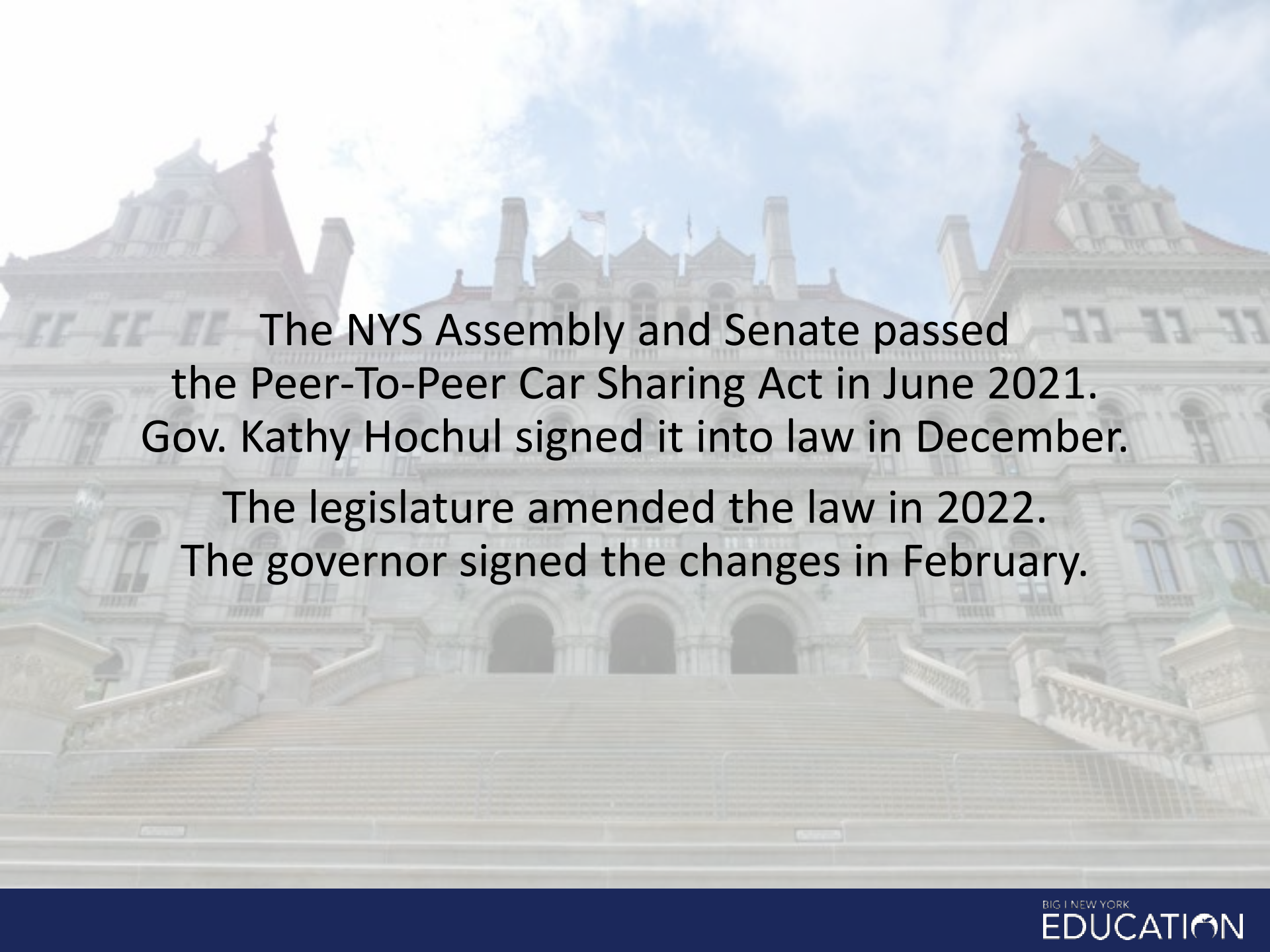


Peer-to-peer car sharing services enable individual owners of vehicles to rent their vehicles to others who need one for a short time period.

They are similar to Uber and Lyft, but they replace rental car companies instead of taxi services.



The most well-known peer-to-peer car sharing service is Turo.



The NYS Assembly and Senate passed the Peer-To-Peer Car Sharing Act in June 2021. Gov. Kathy Hochul signed it into law in December.

The legislature amended the law in 2022. The governor signed the changes in February.

STATE OF NEW YORK

6715

2021-2022 Regular Sessions

IN SENATE

May 12, 2021

Introduced by Sen. BRESLIN -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law, the general business law, the tax law and the vehicle and traffic law, in relation to enacting the peer-to-peer car sharing program act

The new law provides for:

- Guidelines for peer-to-peer car sharing programs
- How they are to be insured
- The cars that can be used
- How drivers will work under the programs
- How liability for accidents will be determined

Statement of the Reasons for the Emergency Measure

Sixteenth Amendment to 11 NYCRR 27 (Insurance Regulation 41)
Eleventh Amendment to 11 NYCRR 60-1 (Insurance Regulation 35-A)
Tenth Amendment to 11 NYCRR 60-2 (Insurance Regulation 35-D)
New 11 NYCRR 60-4 (Insurance Regulation 35-F)
Fourth Amendment to 11 NYCRR 65-1 (Insurance Regulation 68-A)
Ninth Amendment to 11 NYCRR 65-3 (Insurance Regulation 68-C)
Seventh Amendment to 11 NYCRR 65-4 (Insurance Regulation 68-D)
Seventh Amendment to 11 NYCRR 169 (Insurance Regulation 100)
Nineteenth Amendment to 11 NYCRR 216 (Insurance Regulation 64)

Chapter 795 of the Laws of 2021 (“Chapter 795”), as amended by Chapter 129 of the Laws of 2022 (“Chapter 129”), established a new General Business Law Article 40 regarding peer-to-peer car sharing (“car sharing”) programs, and amended and added other laws, such as Insurance Law section 3458, to implement General Business Law Article 40. The Governor signed into law Chapter 795 on December 22, 2021, and Chapter 129 on February 24, 2022. These chapters take effect June 20, 2022.

On June 17, 2022, the NYS Department of Financial Services adopted 8 revised regulations and 1 new one on an emergency basis in response to the new law.

SUBPART 60-4
(Regulation 35-F)

**PEER-TO-PEER CAR SHARING PROGRAMS: MINIMUM PROVISIONS FOR GROUP POLICIES
AND OTHER REQUIREMENTS**

The new Insurance Regulation 35-F sets the minimum required provisions for group insurance policies providing the coverage required by the new law.

SUBPART 60-4
(Regulation 35-F)

**PEER-TO-PEER CAR SHARING PROGRAMS: MINIMUM PROVISIONS FOR GROUP POLICIES
AND OTHER REQUIREMENTS**

It includes:

- Mandatory liability coverage provisions
- Permissible exclusions
- Provisions insurers can include at their option
- Additional requirements
- Rules for writing group coverage in the excess line market

A silver car is parked in a field of tall grass. In the background, there is a line of trees under a bright, hazy sky. The car is slightly out of focus, and the overall scene has a soft, natural feel.

Changed regulations:

- Set affidavit requirements for excess line group policies
- Add car sharing exclusions to the Personal Injury Protection (PIP), Supplementary Uninsured/Underinsured Motorist (SUM), and rental vehicle endorsements in non-group policies
- Permit car sharing exclusions in non-group auto liability insurance

Changed regulations:

- Prohibit personal auto insurers from surcharging for accidents while insured is driving a car rented under a car sharing program *unless* the insured's policy covers these car rentals
- Apply the unfair claims practices regulation to excess line insurers providing group car sharing coverage

RENTAL VEHICLE COVERAGE ENDORSEMENT – NEW YORK

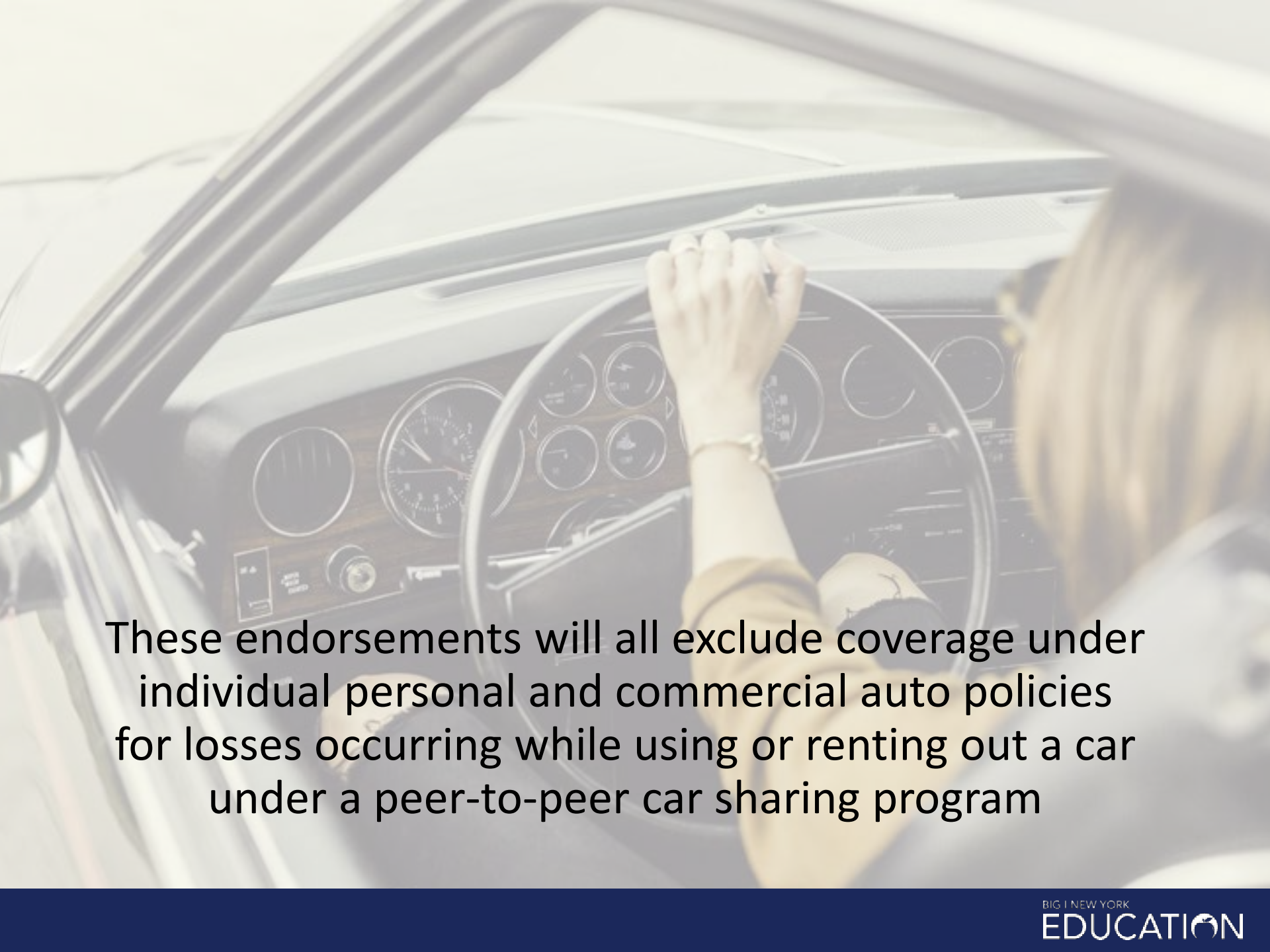
INSURER

INSURED

POLICY NUMBER

Over the next several months, you can expect Insurance Services Office (ISO) and carriers to publish new editions of NY amendatory endorsements & endorsements providing these coverages:

- PIP
- Additional PIP
- SUM
- Rental Vehicle

A photograph of a person driving a classic car, viewed from the passenger side. The driver's hand is on the steering wheel, and the dashboard features several round gauges and wood trim. The image is slightly faded to serve as a background for the text.

These endorsements will all exclude coverage under individual personal and commercial auto policies for losses occurring while using or renting out a car under a peer-to-peer car sharing program

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