



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB3609

Introduced 2/14/2020, by Sen. Napoleon Harris, III

SYNOPSIS AS INTRODUCED:

New Act

Creates the Car-Sharing Program Act. Provides that nothing in the Act shall be construed to extend beyond insurance or have any implications for other State law, including, but not limited to, those related to motor vehicle regulation, airport regulation, or taxation. Adds provisions governing: insurance coverage requirements during car-sharing periods; notification of implications of lien; exclusions in motor vehicle liability insurance policies; recordkeeping requirements; vicarious liability; contribution against indemnification; insurable interests; consumer protection disclosures; driver's license verification; data retention; responsibility for equipment; and automobile safety recalls. Effective January 1, 2022.

LRB101 19804 HEP 69316 b

1 AN ACT concerning transportation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Car-Sharing Program Act.

6 Section 5. Scope. This Act is intended to govern the
7 intersection of car-sharing services and the State-regulated
8 business of insurance. Nothing in this Act shall be construed
9 to extend beyond insurance or have any implications for other
10 State law, including, but not limited to, those related to
11 motor vehicle regulation, airport regulation, or taxation.

12 Section 10. Definitions. As used in this Act:

13 "Car sharing" means the authorized use of a vehicle by an
14 individual other than the vehicle's owner through a car-sharing
15 program. "Car sharing" does not include a rental car or rental
16 activity.

17 "Car-sharing agreement" means the terms and conditions
18 applicable to a shared-vehicle owner and a shared-vehicle
19 driver that govern the use of a shared vehicle through a
20 car-sharing program. "Car-sharing agreement" does not include
21 a rental car agreement.

22 "Car-sharing period" means the period that commences with

1 the delivery period, or, if there is no delivery period, that
2 commences with the car-sharing start time and in either case
3 ends at the car-sharing termination time.

4 "Car-sharing program" means a business platform that
5 connects vehicle owners with drivers to enable the sharing of
6 vehicles for financial consideration. "Car-sharing program"
7 does not include a rental car company.

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

13 "Car-sharing termination time" means the earliest of the
14 following events:

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

20 (2) the time the shared vehicle is returned to a
21 location as alternatively agreed upon by the
22 shared-vehicle owner and shared-vehicle driver as
23 communicated through a car-sharing program; or

24 (3) the time the shared-vehicle owner or the
25 shared-vehicle owner's authorized designee takes
26 possession and control of the shared vehicle.

1 "Delivery period" means the period during which a shared
2 vehicle is being delivered to the location of the car-sharing
3 start time, if applicable, as documented by the governing
4 car-sharing agreement.

5 "Shared vehicle" means a vehicle that is available for
6 sharing through a car-sharing program. "Shared vehicle" does
7 not include a rental car or rental vehicle.

8 "Shared-vehicle driver" means an individual who has been
9 authorized to drive the shared vehicle by the shared-vehicle
10 owner under a car-sharing agreement.

11 "Shared-vehicle owner" means the registered owner, or a
12 person or entity designated by the registered owner, of a
13 vehicle made available for sharing to shared-vehicle drivers
14 through a car-sharing program.

15 Section 15. Insurance coverage during car-sharing period.

16 (a) Except as provided in subsection (b), a car-sharing
17 program shall assume liability of a shared-vehicle owner for
18 bodily injury or property damage to third parties or uninsured
19 and underinsured motorist or personal injury protection losses
20 during the car-sharing period in an amount stated in the
21 car-sharing agreement, which amount may not be less than that
22 set forth in Section 7-601 of the Illinois Vehicle Code.

23 (b) Notwithstanding the definition of "car-sharing
24 termination time" set forth in Section 10, the assumption of
25 liability under subsection (a) does not apply to any

1 shared-vehicle owner if:

2 (1) the shared-vehicle owner makes an intentional or
3 fraudulent material misrepresentation or omission to the
4 car-sharing program before the car-sharing period in which
5 the loss occurred; or

6 (2) the shared-vehicle owner is acting in concert with
7 a shared-vehicle driver who fails to return the shared
8 vehicle pursuant to the terms of car-sharing agreement.

9 (c) Notwithstanding the definition of "car-sharing
10 termination time" set forth in Section 10, the assumption of
11 liability under subsection (a) applies to bodily injury,
12 property damage, and uninsured and underinsured motorist or
13 personal injury protection losses by damaged third parties
14 required by Section 7-601 of the Illinois Vehicle Code.

15 (d) A car-sharing program shall ensure that, during each
16 car-sharing period, the shared-vehicle owner and the
17 shared-vehicle driver are insured under a motor vehicle
18 liability insurance policy that provides insurance coverage in
19 amounts no less than the minimum amounts set forth in Section
20 7-601 of the Illinois Vehicle Code and:

21 (1) recognizes that the shared vehicle insured under
22 the policy is made available and used through a car-sharing
23 program; or

24 (2) does not exclude use of a shared vehicle by a
25 shared-vehicle driver.

26 (e) The insurance described under subsection (d) may be

1 satisfied by motor vehicle liability insurance maintained by:

2 (1) a shared-vehicle owner;

3 (2) a shared-vehicle driver;

4 (3) a car-sharing program; or

5 (4) a combination of a shared-vehicle owner, a
6 shared-vehicle driver, and a car-sharing program.

7 (f) The insurance described in subsection (e) that is
8 satisfying the insurance requirement of subsection (d) shall be
9 primary during each car-sharing period.

10 (g) The car-sharing program shall assume primary liability
11 for a claim if it is in whole or in part providing the
12 insurance required under subsections (d) and (e) and:

13 (1) a dispute exists as to who was in control of the
14 shared vehicle at the time of the loss; and

15 (2) the car-sharing program does not have available,
16 did not retain, or fails to provide the information
17 required by Section 30.

18 The shared vehicle's insurer shall indemnify the
19 car-sharing program to the extent of its obligation under, if
20 any, the applicable insurance policy, if it is determined that
21 the shared vehicle's owner was in control of the shared vehicle
22 at the time of the loss.

23 (h) If insurance maintained by a shared-vehicle owner or
24 shared-vehicle driver in accordance with subsection (e) has
25 lapsed or does not provide the required coverage, insurance
26 maintained by a car-sharing program shall provide the coverage

1 required by subsection (d) beginning with the first dollar of a
2 claim and shall have the duty to defend the claim except under
3 circumstances as set forth in subsection (b).

4 (i) An insurance policy maintained by the car-sharing
5 program shall not make the coverage dependent on another
6 automobile insurer or policy first denying a claim.

7 (j) Nothing in this Section:

8 (1) limits the liability of the car-sharing program for
9 any act or omission of the car-sharing program itself that
10 results in injury to any person as a result of the use of a
11 shared vehicle through a car-sharing program; or

12 (2) limits the ability of the car-sharing program to,
13 by contract, seek indemnification from the shared-vehicle
14 owner or the shared-vehicle driver for economic loss
15 sustained by the car-sharing program resulting from a
16 breach of the terms and conditions of the car-sharing
17 agreement.

18 Section 20. Notification of implications of lien. At the
19 time a vehicle owner registers as a shared-vehicle owner on a
20 car-sharing program and before the time when the shared-vehicle
21 owner makes a shared vehicle available for car sharing on the
22 car-sharing program, the car-sharing program shall notify the
23 shared-vehicle owner that, if the shared vehicle has a lien
24 against it, the use of the shared vehicle through a car-sharing
25 program, including use without physical damage coverage, may

1 violate the terms of the contract with the lienholder.

2 Section 25. Exclusions in motor vehicle liability
3 insurance policies.

4 (a) An authorized insurer that writes motor vehicle
5 liability insurance in this State may exclude any coverage and
6 the duty to defend or indemnify for any claim afforded under a
7 shared-vehicle owner's motor vehicle liability insurance
8 policy, including, but not limited to:

9 (1) liability coverage for bodily injury and property
10 damage;

11 (2) uninsured and underinsured motorist coverage;

12 (3) medical payments coverage;

13 (4) comprehensive physical damage coverage; and

14 (5) collision physical damage coverage.

15 (b) Nothing in this Act invalidates or limits an exclusion
16 contained in a motor vehicle liability insurance policy,
17 including any insurance policy in use or approved for use that
18 excludes coverage for motor vehicles made available for rent,
19 sharing, or hire, or for any business use.

20 Section 30. Recordkeeping; use of vehicle in car sharing. A
21 car-sharing program shall collect and verify records
22 pertaining to the use of a vehicle, including, but not limited
23 to, times used, fees paid by the shared-vehicle driver, and
24 revenues received by the shared-vehicle owner, and the

1 car-sharing program shall provide that information upon
2 request to the shared-vehicle owner, the shared-vehicle
3 owner's insurer, or the shared-vehicle driver's insurer to
4 facilitate a claim coverage investigation. The car-sharing
5 program shall retain the records for a period not less than the
6 applicable personal injury statute of limitations.

7 Section 35. Exemption; vicarious liability. A car-sharing
8 program and a shared-vehicle owner shall be exempt from
9 vicarious liability in accordance with 49 U.S.C. 30106 and
10 under any State or local law that imposes liability solely
11 based on vehicle ownership.

12 Section 40. Contribution against indemnification. A motor
13 vehicle insurer that defends or indemnifies a claim against a
14 shared vehicle that is excluded under the terms of its policy
15 shall have the right to seek contribution against the motor
16 vehicle insurer of the car-sharing program if the claim is:

17 (1) made against the shared-vehicle owner or the
18 shared-vehicle driver for loss or injury that occurs during
19 the car-sharing period; and

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

21 Section 45. Insurable interest.

22 (a) Notwithstanding any other law, statute, rule, or
23 regulation to the contrary, a car-sharing program shall have an

1 insurable interest in a shared vehicle during the car-sharing
2 period.

3 (b) Nothing in this Section requires a car-sharing program
4 to maintain the coverage mandated by Section 15.

5 (c) A car-sharing program may own and maintain, as the
6 named insured, one or more policies of motor vehicle liability
7 insurance that provides coverage for:

8 (1) liabilities assumed by the car-sharing program
9 under a car-sharing agreement;

10 (2) any liability of the shared-vehicle owner;

11 (3) damage or loss to the shared vehicle; or

12 (4) any liability of the shared-vehicle driver.

13 Section 50. Consumer protection disclosures. Each
14 car-sharing agreement made in this State shall disclose to the
15 shared-vehicle owner and the shared-vehicle driver:

16 (1) Any right of the car-sharing program to seek
17 indemnification from the shared-vehicle owner or the
18 shared-vehicle driver for economic loss sustained by the
19 car-sharing program resulting from a breach of the terms
20 and conditions of the car-sharing agreement.

21 (2) That a motor vehicle liability insurance policy
22 issued to the shared-vehicle owner for the shared vehicle
23 or to the shared-vehicle driver does not provide a defense
24 or indemnification for any claim asserted by the
25 car-sharing program.

1 (3) That the car-sharing program's insurance coverage
2 on the shared-vehicle owner and the shared-vehicle driver
3 is in effect only during each car-sharing period and that,
4 for any use of the shared vehicle by the shared-vehicle
5 driver after the car-sharing termination time, the
6 shared-vehicle driver and the shared-vehicle owner may not
7 have insurance coverage.

8 (4) The daily rate, fees, and, if applicable, any
9 insurance or protection package costs that are charged to
10 the shared-vehicle owner or the shared-vehicle driver.

11 (5) That the shared-vehicle owner's motor vehicle
12 liability insurance may not provide coverage for a shared
13 vehicle.

14 (6) An emergency telephone number for personnel
15 capable of fielding roadside assistance and other customer
16 service inquiries.

17 (7) If there are conditions under which a
18 shared-vehicle driver shall maintain a personal automobile
19 insurance policy with certain applicable coverage limits
20 on a primary basis in order to book a shared vehicle.

21 Section 55. Driver's license verification and data
22 retention.

23 (a) A car-sharing program may not enter into a car-sharing
24 agreement with a driver unless the driver who will operate the
25 shared vehicle:

1 (1) holds a driver's license issued under the laws of
2 this State that authorizes the driver to operate vehicles
3 of the class of the shared vehicle; or

4 (2) is a nonresident who:

5 (i) has a driver's license issued by the state or
6 country of the driver's residence that authorizes the
7 driver in that state or country to drive vehicles of
8 the class of the shared vehicle; and

9 (ii) is at least the same age as that required of a
10 resident to drive; or

11 (3) otherwise is specifically authorized under the
12 laws of this State to drive vehicles of the class of the
13 shared vehicle.

14 (b) A car-sharing program shall keep a record of:

15 (1) the name and address of the shared-vehicle driver;

16 (2) the number of the driver's license of the
17 shared-vehicle driver and each other person, if any, who
18 will operate the shared vehicle; and

19 (3) the place of issuance of the driver's license.

20 Section 60. Responsibility for equipment. A car-sharing
21 program shall have sole responsibility for any equipment, such
22 as a GPS system or other special equipment, that is put in or
23 on the vehicle to monitor or facilitate the car-sharing
24 transaction, and shall agree to indemnify and hold harmless the
25 vehicle owner for any damage to or theft of such equipment

1 during the car-sharing period not caused by the vehicle owner.
2 The car-sharing program has the right to seek indemnity from
3 the shared-vehicle driver for any loss or damage to such
4 equipment that occurs during the car-sharing period.

5 Section 65. Automobile safety recalls.

6 (a) At the time a vehicle owner registers as a
7 shared-vehicle owner on a car-sharing program and before the
8 time the shared-vehicle owner makes a shared vehicle available
9 for car sharing on the car-sharing program, the car-sharing
10 program shall:

11 (1) verify that the shared vehicle does not have any
12 safety recalls on the vehicle for which the repairs have
13 not been made; and

14 (2) notify the shared-vehicle owner of the
15 requirements under subsection (b).

16 (b) (1) If the shared-vehicle owner has received an actual
17 notice of a safety recall on the vehicle, a shared-vehicle
18 owner may not make a vehicle available as a shared vehicle on a
19 car-sharing program until the safety recall repair has been
20 made.

21 (2) If a shared-vehicle owner receives an actual notice of
22 a safety recall on a shared vehicle while the shared vehicle is
23 made available on the car-sharing program, the shared-vehicle
24 owner shall remove the shared vehicle from availability on the
25 car-sharing program, as soon as practicably possible after

1 receiving the notice of the safety recall and until the safety
2 recall repair has been made.

3 (3) If a shared-vehicle owner receives an actual notice of
4 a safety recall while the shared vehicle is being used in the
5 possession of a shared-vehicle driver, as soon as practicably
6 possible after receiving the notice of the safety recall, the
7 shared-vehicle owner shall notify the car-sharing program
8 about the safety recall so that the shared-vehicle owner may
9 address the safety recall repair.

10 Section 99. Effective date. This Act takes effect January
11 1, 2022.