

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1222 Session of 2022

INTRODUCED BY DiSANTO, STREET, PHILLIPS-HILL, CAPPELLETTI, PITTMAN, FONTANA AND KANE, MAY 16, 2022

AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, AS AMENDED, JULY 7, 2022

AN ACT

1 Amending the act of May 17, 1921 (P.L.682, No.284), entitled "An
2 act relating to insurance; amending, revising, and
3 consolidating the law providing for the incorporation of
4 insurance companies, and the regulation, supervision, and
5 protection of home and foreign insurance companies, Lloyds
6 associations, reciprocal and inter-insurance exchanges, and
7 fire insurance rating bureaus, and the regulation and
8 supervision of insurance carried by such companies,
9 associations, and exchanges, including insurance carried by
10 the State Workmen's Insurance Fund; providing penalties; and
11 repealing existing laws," in insurance holding companies,
12 further providing for definitions, for acquisition of control
13 of or merger or consolidation with domestic insurer and for
14 registration of insurers, providing for group capital
15 calculation exemptions, further providing for standards and
16 management of an insurer within an insurance holding company
17 system, for group-wide supervision for international
18 insurance groups and for confidential treatment and providing
19 for compliance with group capital calculation and liquidity
20 stress test requirements; AND PROVIDING FOR PEER-TO-PEER <--
21 CARSHARING.

22 The General Assembly of the Commonwealth of Pennsylvania
23 hereby enacts as follows:

24 Section 1. Section 1401 of the act of May 17, 1921 (P.L.682,
25 No.284), known as The Insurance Company Law of 1921, is amended
26 by adding definitions to read:

1 Section 1401. Definitions.--As used in this article, and for  
2 the purposes of this article only, the following words and  
3 phrases shall have the meanings given to them in this section:

4 \* \* \*

5 "Group-wide supervisor." The regulatory official authorized  
6 to engage in conducting and coordinating group-wide supervision  
7 activities who is determined or acknowledged by the department  
8 under section 1406.2 to have sufficient significant contacts  
9 with an internationally active insurance group.

10 \* \* \*

11 "Internationally active insurance group." An insurance  
12 holding company system that:

13 (1) Includes an insurer registered under section 1404.

14 (2) Meets each of the following criteria:

15 (i) Has premiums written in at least three countries.

16 (ii) Has as the percentage of the gross premiums written  
17 outside the United States at least ten per centum (10%) of the  
18 insurance holding company system's total gross written premiums.

19 (iii) Based on a three-year rolling average, has total  
20 assets of at least fifty billion dollars (\$50,000,000,000) or  
21 total gross written premiums of at least ten billion dollars  
22 (\$10,000,000,000).

23 "Lead state." The state responsible for coordination and  
24 communication among state regulators regarding oversight of an  
25 insurance group, as determined by the department in consultation  
26 with other regulators with domestic insurers in the insurance  
27 group.

28 \* \* \*

29 "NAIC liquidity stress test framework." A separate NAIC  
30 publication that includes the following information as adopted

1 by the NAIC and as amended by the NAIC from time to time in  
2 accordance with the procedures adopted by the NAIC:

3 (1) A history of the NAIC's development of regulatory  
4 liquidation stress testing.

5 (2) The scope criteria applicable for a specific data year.

6 (3) The liquidity stress test instructions and reporting  
7 templates for a specific data year.

8 (4) The scope criteria, instructions and reporting  
9 templates.

10 \* \* \*

11 "Scope criteria." As detailed in the NAIC liquidity stress  
12 test framework, the designated exposure bases, along with  
13 minimum magnitudes, for the specified data year which are used  
14 to establish a preliminary list of insurers considered scoped  
15 into the NAIC liquidity stress test framework for that data  
16 year.

17 \* \* \*

18 Section 2. Sections 1402(b)(11.1) and 1404(a)(1), (d) and  
19 (k.1) of the act are amended to read:

20 Section 1402. Acquisition of Control of or Merger or  
21 Consolidation with Domestic Insurer.--\* \* \*

22 (b) The statement to be filed with the department under this  
23 section shall be made under oath or affirmation and shall  
24 contain the following information:

25 \* \* \*

26 (11.1) An agreement by the person required to file the  
27 statement referred to in subsection (a) that it will provide the  
28 annual enterprise risk report specified in section [1404(k.1)]  
29 1404(k.1)(1) as long as control exists.

30 \* \* \*

1 Section 1404. Registration of Insurers.--(a) (1) Every  
2 insurer which is authorized to do business in this Commonwealth  
3 and which is a member of an insurance holding company system  
4 shall register with the department, except a foreign insurer  
5 subject to registration requirements and standards adopted by  
6 statute or regulation in the jurisdiction of its domicile which  
7 are substantially similar to those contained in this section and  
8 section 1405(a) (1) and (2), (b) and [(d)] (d) (1). Each  
9 registered insurer shall keep current the information required  
10 to be disclosed in its registration statement by reporting all  
11 material changes or additions within fifteen (15) days after the  
12 end of the month in which it learns of each such change or  
13 addition.

14 \* \* \*

15 (d) (1) No information need be disclosed on the  
16 registration statement filed pursuant to subsection (b) if such  
17 information is not material for the purposes of this section.

18 (2) Unless the department by regulation or order provides  
19 otherwise, sales, purchases, exchanges, loans or extensions of  
20 credit, investments or guarantees involving one-half of one per  
21 centum (0.5%) or less of an insurer's admitted assets as of the  
22 thirty-first day of December next preceding shall not be deemed  
23 material for purposes of this section.

24 (3) Paragraph (2) does not apply to the group capital  
25 calculation or the liquidity stress test framework.

26 \* \* \*

27 (k.1) (1) The ultimate controlling person of every insurer  
28 subject to registration shall also file an annual enterprise  
29 risk report. The report must, to the best of the ultimate  
30 controlling person's knowledge and belief, identify the material

1 risks within the insurance holding company system that could  
2 pose enterprise risk to the insurer. The report must be filed  
3 with the lead state regulator of the insurance holding company  
4 system as determined by the procedures within the Financial  
5 Analysis Handbook adopted by the NAIC. Beginning in 2014, and  
6 every year thereafter, the report shall be filed by March 31 for  
7 the previous calendar year.

8 (2) Except as provided in paragraph (3), the ultimate  
9 controlling person of every insurer subject to registration  
10 shall concurrently file with the registration an annual group  
11 capital calculation report as directed by the lead state  
12 regulator of the insurance holding company system. The report  
13 shall be completed in accordance with the NAIC group capital  
14 calculation instructions, which may permit the lead state  
15 regulator to allow a controlling person that is not the ultimate  
16 controlling person to file the group capital calculation. The  
17 report shall be filed with the lead state regulator of the  
18 insurance holding company system as directed by the commissioner  
19 in accordance with the procedures outlined in the Financial  
20 Analysis Handbook adopted by the NAIC.

21 (3) The following insurance holding company systems are not  
22 required to file the group capital calculation:

23 (i) An insurance holding company system that has only one  
24 insurer within the insurance holding company system structure,  
25 only writes business in a domestic state and is only licensed in  
26 a domestic state and assumes no business from any other insurer.

27 (ii) An insurance holding company system that is required to  
28 perform a group capital calculation specified by the Federal  
29 Reserve Board. The commissioner shall request the calculation  
30 from the Federal Reserve Board under the terms of information

1 sharing agreements in effect. If the Federal Reserve Board  
2 cannot share the calculation with the commissioner, the  
3 insurance holding company system is not exempt from the group  
4 capital calculation filing.

5 (iii) An insurance holding company system whose group-wide  
6 supervisor is located within a reciprocal jurisdiction as  
7 defined in section 319.3(k) that recognizes the United States'  
8 state regulatory approach to group supervision and group  
9 capital.

10 (iv) An insurance holding company system:

11 (A) That provides information to the lead state regulator  
12 that meets the requirements for accreditation under the NAIC  
13 financial standards and accreditation program, either directly  
14 or indirectly through the group-wide supervisor, who has  
15 determined the information is satisfactory to allow the lead  
16 state regulator to comply with the NAIC group supervision  
17 approach, as detailed in the NAIC Financial Analysis Handbook.

18 (B) Whose group-wide supervisor, located outside the United  
19 States and not in a reciprocal jurisdiction as defined in  
20 section 319.3(k), recognizes and accepts the group capital  
21 calculation as the worldwide group capital assessment for United  
22 States insurance groups who operate in that reciprocal  
23 jurisdiction.

24 (4) Notwithstanding paragraph (3)(iii) and (iv), the  
25 commissioner, as the lead state regulator, shall require the  
26 group capital calculation for United States based operations of  
27 any non-United-States-based insurance holding company system  
28 where, after necessary consultation with other supervisors or  
29 officials, the group capital calculation is deemed appropriate  
30 by the lead state regulator for prudential oversight and

1 solvency monitoring purposes or for ensuring the competitiveness  
2 of the insurance marketplace.

3 (5) In addition to and notwithstanding the entities  
4 described in paragraph (3), the commissioner, as the lead state  
5 regulator, has the discretion to exempt the ultimate controlling  
6 person from filing the annual group capital calculation or  
7 accept a limited group capital filing or report in accordance  
8 with criteria specified in section 1404.1.

9 (6) If the commissioner, as the lead state regulator,  
10 determines that an insurance holding company system no longer  
11 meets one or more of the requirements of paragraph (3), the  
12 insurance holding company system shall file the group capital  
13 calculation at the next annual filing date unless given an  
14 extension by the lead state regulator based on reasonable  
15 grounds shown.

16 (7) The ultimate controlling person of an insurer subject to  
17 registration and also scoped into the NAIC liquidity stress test  
18 framework shall file the results of a specific year's liquidity  
19 stress test with the lead state regulator of the insurance  
20 holding company system in accordance with the procedures in the  
21 NAIC Financial Analysis Handbook and the following standards:

22 (i) With regard to the development of the NAIC liquidity  
23 stress test framework, the following standards are recognized:

24 (A) The NAIC liquidity stress test framework includes scope  
25 criteria applicable to a specific data year.

26 (B) The scope criteria are reviewed at least annually by the  
27 NAIC Financial Stability Task Force or its successor.

28 (C) Any change to the NAIC liquidity stress test framework  
29 or to the data year for which the scope criteria are to be  
30 measured shall be effective on January 1 of the year following

1 the calendar year when the changes are adopted.

2 (D) Insurers meeting at least one threshold of the scope  
3 criteria are considered scoped into the NAIC liquidity stress  
4 test framework for the specified data year unless the lead state  
5 regulator, in consultation with the NAIC Financial Stability  
6 Task Force or its successor, determines the insurer should not  
7 be scoped into the NAIC liquidity stress test framework for that  
8 data year.

9 (E) Insurers that do not trigger at least one threshold of  
10 the scope criteria are considered scoped out of the NAIC  
11 liquidity stress test framework for the specified data year,  
12 unless the lead state regulator, in consultation with the NAIC  
13 Financial Stability Task Force or its successor, determines the  
14 insurer should be scoped into the NAIC liquidity stress test  
15 framework for that data year.

16 (ii) The performance of, and filing of the results from, a  
17 specific year's NAIC liquidity stress test shall comply with the  
18 NAIC liquidity stress test framework's instructions and  
19 reporting templates for that year and, if applicable, with any  
20 determinations by the lead state regulator and the NAIC  
21 Financial Stability Task Force or its successor, provided within  
22 the NAIC liquidity stress test framework.

23 \* \* \*

24 Section 3. The act is amended by adding a section to read:

25 Section 1404.1. Group Capital Calculation Exemptions.--(a)  
26 The commissioner, as the lead state regulator, has the  
27 discretion to exempt the ultimate controlling person from filing  
28 the annual group capital calculation where the insurance holding  
29 company system meets all of the following criteria:

30 (1) Has annual direct written and unaffiliated assumed



1 premium, including international direct and assumed premium, but  
2 excluding premiums reinsured with the Federal Crop Insurance  
3 Corporation and Federal Flood Program, of less than one billion  
4 dollars (\$1,000,000,000).

5 (2) Has no insurers within the insurance holding company  
6 system that are domiciled outside of the United States or one of  
7 its territories.

8 (3) Has no banking, depository or other financial entity  
9 that is subject to an identified regulatory capital framework  
10 within the insurance holding company system.

11 (4) Attests that there have been no material changes in the  
12 transactions between insurers and noninsurers in the insurance  
13 holding company system during the last year.

14 (5) The noninsurers within the insurance holding company  
15 system do not pose a material financial risk to the insurer's  
16 ability to honor policyholder obligations.

17 (b) The commissioner, as the lead state regulator, has the  
18 discretion to accept a limited group capital filing in lieu of  
19 the group capital calculation if the insurance holding company  
20 system has annual direct written and unaffiliated assumed  
21 premiums, including international direct and assumed premiums,  
22 but excluding premiums reinsured with the Federal Crop Insurance  
23 Corporation and Federal Flood Program, of less than one billion  
24 dollars (\$1,000,000,000) and all of the following criteria are  
25 met:

26 (1) The insurance holding company system has no insurers  
27 that are domiciled outside of the United States or one of its  
28 territories.

29 (2) The insurance holding company system does not include a  
30 banking, depository or other financial entity that is subject to

1 an identified regulatory capital framework.

2 (3) The insurance holding company system attests that there  
3 have been no material changes in transactions between insurers  
4 and noninsurers in the group during the last year and the  
5 noninsurers within the insurance holding company system do not  
6 pose a material financial risk to the insurer's ability to honor  
7 policyholder obligations.

8 (c) For an insurance holding company system that has  
9 previously met an exemption with respect to the group capital  
10 calculation under subsections (a) and (b), the commissioner may  
11 at any time require, as the lead state regulator, the ultimate  
12 controlling person to file an annual group capital calculation,  
13 completed in accordance with the NAIC group capital calculation  
14 instructions if any of the following criteria are met:

15 (1) An insurer within the insurance holding company system  
16 is in a company action level event under Article V of the act of  
17 May 17, 1921 (P.L.789, No.285), known as "The Insurance  
18 Department Act of 1921," or a similar standard for an insurer  
19 outside the United States.

20 (2) An insurer within the insurance holding company system  
21 meets one or more of the standards of an insurer deemed to be in  
22 hazardous financial condition as described in Article V of "The  
23 Insurance Department Act of 1921," and 31 Pa. Code Ch. 160  
24 (relating to standards to define insurers deemed to be in  
25 hazardous financial condition).

26 (3) An insurer within the insurance holding company system  
27 otherwise exhibits qualities of a troubled insurer as determined  
28 by the lead state regulator based on unique circumstances,  
29 including the type and volume of business written, ownership and  
30 organizational structure, Federal agency requests and

1 international supervisor requests.

2 (d) A jurisdiction outside the United States is considered  
3 to recognize and accept the group capital calculation if it  
4 satisfies the following criteria:

5 (1) The jurisdiction meets the criteria under section  
6 1404(k.1)(3)(iv) in accordance with the following:

7 (i) The jurisdiction is located outside of the United States  
8 and recognizes the United States' state regulatory approach to  
9 group supervision and group capital by providing confirmation  
10 from a competent regulatory authority in the jurisdiction that  
11 insurers and insurance groups whose lead state is accredited by  
12 the NAIC under the NAIC Accreditation Program shall be subject  
13 only to worldwide prudential insurance group-wide supervision,  
14 including worldwide group governance, solvency and capital and  
15 reporting, as applicable, by the lead state and will not be  
16 subject to group-wide supervision, including worldwide group  
17 governance, solvency and capital and reporting, at the level of  
18 the worldwide parent undertaking of the insurance or reinsurance  
19 group by the jurisdiction located outside the United States.

20 (ii) If no United-States-based insurance groups operate in  
21 the jurisdiction outside the United States, that jurisdiction  
22 outside the United States notifies the lead state regulator in  
23 writing, with a copy to the IAIS, that the group capital  
24 calculation is an acceptable international capital standard. The  
25 notification shall serve as the confirmation required under  
26 subparagraph (i).

27 (2) The entities located outside the United States'  
28 jurisdiction provide confirmation by a competent regulatory  
29 authority in the jurisdiction under paragraph (1)(ii) that  
30 information regarding insurers and the parent, subsidiary or

1 affiliated entities, if applicable, shall be provided to the  
2 lead state regulator in accordance with a memorandum of  
3 understanding or similar document between the commissioner and  
4 the jurisdiction, including the IAIS multilateral memorandum of  
5 understanding or other multilateral memoranda of understanding  
6 coordinated by the NAIC. The commissioner shall determine, in  
7 consultation with the NAIC committee process, if the  
8 requirements of the information sharing agreements are in force.

9 (e) A list of jurisdictions outside the United States that  
10 recognize and accept the group capital calculation will be  
11 published through the NAIC committee process in accordance with  
12 the following standards:

13 (1) A list of jurisdictions that recognize and accept the  
14 group capital calculation under section 1404(k.1)(3)(iv), shall  
15 be published through the NAIC committee process to assist the  
16 lead state regulator in determining which insurers shall file an  
17 annual group capital calculation. The list must clarify those  
18 situations in which a jurisdiction is exempt from filing under  
19 section 1404(k.1)(3)(iv). To assist with a determination under  
20 section 1404(k.1)(3)(v), the list shall identify whether a  
21 jurisdiction that is exempt under section 1404(k.1)(3)(iii) or  
22 (iv) requires a group capital filing for any United-States-based  
23 insurance group's operations in a jurisdiction outside the  
24 United States.

25 (2) For a jurisdiction outside the United States that no  
26 United-States-based insurance group operates, the confirmation  
27 provided to meet the requirement of subsection (d)(1)(ii) will  
28 serve as support for a recommendation to be published as a  
29 jurisdiction that recognizes and accepts the group capital  
30 calculation through the NAIC committee process.

1 (3) If the commissioner, as the lead state regulator, makes  
2 a determination under section 1404(k.1)(3)(iv) that differs from  
3 the NAIC list in paragraph (4), the lead state regulator shall  
4 provide documented justification to the NAIC and other states.

5 (4) Upon determination that a jurisdiction outside of the  
6 United States no longer meets one or more of the requirements to  
7 recognize and accept the group capital calculation, the  
8 commissioner, as the lead state regulator, may provide a  
9 recommendation to the NAIC that the jurisdiction outside the  
10 United States be removed from the list of jurisdictions that  
11 recognize and accept the group capital calculation.

12 Section 4. Section 1405(a)(1) of the act is amended by  
13 adding subparagraphs and the subsection is amended by adding a  
14 paragraph to read:

15 Section 1405. Standards and Management of an Insurer within  
16 an Insurance Holding Company System.--(a) (1) Transactions  
17 within an insurance holding company system to which an insurer  
18 subject to registration is a party shall be subject to all of  
19 the following standards:

20 \* \* \*

21 (vi) (A) If the commissioner deems an insurer subject to  
22 this act to be in hazardous financial condition, as determined  
23 by the commissioner under 31 Pa. Code Ch. 160 (relating to  
24 standards to define insurers deemed to be in hazardous financial  
25 condition) or a condition that would be grounds for supervision,  
26 conservation or a delinquency proceeding, the commissioner may  
27 require the insurer to secure and maintain a deposit, held by  
28 the commissioner, or a bond, as determined by the insurer at the  
29 insurer's discretion, for the protection of the insurer for the  
30 duration of the contract or agreement, or the existence of the

1 condition for which the commissioner required the deposit or  
2 bond. In determining whether a deposit or bond is required, the  
3 commissioner may consider whether concerns exist with respect to  
4 the affiliated person's ability to fulfill the contract or  
5 agreement if the insurer were to be put into liquidation.

6 (B) If the insurer is deemed to be in a hazardous financial  
7 condition or a condition that would be grounds for supervision,  
8 conservation or a delinquency proceeding, and a deposit or bond  
9 is necessary, the commissioner has discretion to determine the  
10 amount of the deposit or bond, not to exceed the value of the  
11 contract or agreement in any one year, and whether the deposit  
12 or bond should be required for a single contract, multiple  
13 contracts or a contract only with a specific person.

14 (vii) (A) All records and data of the insurer held by an  
15 affiliate are and remain the property of the insurer, are  
16 subject to control of the insurer, are identifiable, and are  
17 segregated or readily capable of segregation, at no additional  
18 cost to the insurer, from all other persons' records and data.

19 (B) Records and data under clause (A) include all records  
20 and data that are otherwise the property of the insurer, in  
21 whatever form maintained, including claims and claim files,  
22 policyholder lists, application files, litigation files, premium  
23 records, rate books, underwriting manuals, personnel records,  
24 financial records or similar records within the possession,  
25 custody or control of the affiliate.

26 (C) At the request of the insurer, the affiliate shall  
27 advise that the receiver may obtain a complete set of all  
28 records of any type that pertain to the insurer's business,  
29 obtain access to the operating systems on which the data is  
30 maintained, obtain the software that runs those systems either

1 through assumption of licensing agreements or otherwise and  
2 restrict the use of the data by the affiliate if it is not  
3 operating the insurer's business.

4 (D) The affiliate shall provide a waiver of any landlord  
5 lien or other encumbrance to give the insurer access to all  
6 records and data in the event of the affiliate's default under a  
7 lease or other agreement.

8 (viii) Premiums or other funds belonging to the insurer that  
9 are collected by or held by an affiliate are the exclusive  
10 property of the insurer and are subject to the control of the  
11 insurer. Any right of offset in the event an insurer is placed  
12 into receivership shall be subject to Article V of the act of  
13 May 17, 1921 (P.L.789, No.285), known as "The Insurance  
14 Department Act of 1921."

15 \* \* \*

16 (6) Supervision, seizure, conservatorship or receivership  
17 proceedings. The following shall apply:

18 (i) An affiliate that is party to an agreement or contract  
19 with a domestic insurer that is subject to section 1405(a)(2)(v)  
20 shall be subject to the jurisdiction of any supervision,  
21 seizure, conservatorship or receivership proceedings against the  
22 insurer and to the authority of any supervisor, conservator,  
23 rehabilitator or liquidator for the insurer appointed pursuant  
24 to supervision and receivership acts for the purpose of  
25 interpreting, enforcing and overseeing the affiliate's  
26 obligations under the agreement or contract to perform services  
27 for the insurer that:

28 (A) are an integral part of the insurer's operations,  
29 including management, administrative, accounting, data  
30 processing, marketing, underwriting, claims handling, investment

1 or any other similar functions; or  
2 (B) are essential to the insurer's ability to fulfill its  
3 obligations under insurance policies.

4 (ii) The commissioner may require that an agreement or  
5 contract under subsection (a) (2) (v) for the provision of  
6 services under clauses (A) and (B) specify that the affiliate  
7 consents to the jurisdiction under this paragraph.

8 \* \* \*

9 Section 5. Sections 1406.2(j) and 1407 of the act are  
10 amended to read:

11 Section 1406.2. Group-wide Supervision for International  
12 Insurance Groups.--\* \* \*

13 [(j) As used in this section, the following words and  
14 phrases shall have the meanings given to them in this subsection  
15 unless the context clearly indicates otherwise:

16 "Group-wide supervisor." The chief insurance regulatory  
17 official authorized to engage in conducting and coordinating  
18 group-wide supervision activities who is from the jurisdiction  
19 determined or acknowledged by the department under subsection  
20 (c) to have sufficient significant contacts with the  
21 international insurance group.

22 "International insurance group." An insurance group  
23 operating internationally that includes an insurer registered  
24 under section 1404.]

25 Section 1407. Confidential Treatment.--(a) All information,  
26 documents, materials and copies thereof in the possession or  
27 control of the department that are produced by, obtained by or  
28 disclosed to the department or any other person in the course of  
29 an examination or investigation made pursuant to section 1406 or  
30 investigation made pursuant to section 1406.1 or 1406.2 and all



1 information reported pursuant to sections 1402(b)(11.1) and  
2 (11.2), 1404 and 1405 are recognized as being proprietary and  
3 constituting intellectual property, and shall be privileged and  
4 given confidential treatment and shall not be:

5 (1) Subject to discovery or admissible in evidence in a  
6 private civil action.

7 (2) Subject to subpoena.

8 (3) Subject to the act of February 14, 2008 (P.L.6, No.3),  
9 known as the "Right-to-Know Law."

10 (4) Made public by the department or any other person,  
11 except to regulatory or law enforcement officials of other  
12 jurisdictions or group supervisors or members of a supervisory  
13 college in accordance with subsection (c), without the prior  
14 written consent of the insurer to which it pertains unless the  
15 department, after giving the insurer and its affiliates who  
16 would be affected thereby notice and opportunity to be heard,  
17 determines that the interest of policyholders, shareholders or  
18 the public will be served by the publication thereof, in which  
19 event it may publish all or any part thereof in such manner as  
20 it may deem appropriate.

21 (a.1) For purposes of the information reported and provided  
22 to the department under section 1404(k.1)(2), the commissioner  
23 shall maintain the confidentiality of the group capital  
24 calculation report and supporting disclosures and any group  
25 capital information received from an insurance holding company  
26 system supervised by the Federal Reserve Board or any United  
27 States group-wide supervisor.

28 (a.2) For purposes of the information reported and provided  
29 to the department under section 1404(k.1)(6), the commissioner  
30 shall maintain the confidentiality of the liquidity stress test

1 results and supporting disclosures and any liquidity stress test  
2 information received from an insurance holding company system  
3 supervised by the Federal Reserve Board and and a group-wide  
4 supervisor located outside the United States.

5 (b) The commissioner, department or any individual or person  
6 who receives documents, materials or other information while  
7 acting under the authority of the commissioner or department or  
8 with whom such documents, materials or other information are  
9 shared under this article shall not be permitted or required to  
10 testify in any private civil action concerning any confidential  
11 documents, materials or information covered under this section.

12 (c) In order to assist in the performance of its duties, the  
13 department may do any of the following:

14 (1) Share confidential and privileged documents, materials  
15 or other information covered under this section, including  
16 proprietary and intellectual property, documents, materials and  
17 information, with regulatory or law enforcement officials of  
18 this Commonwealth or other jurisdictions, the IAIS, the NAIC and  
19 its affiliates and subsidiaries, group supervisors and members  
20 of any supervisory college under section 1406.1, and any third  
21 party consultants retained by the commissioner, enforcement  
22 officials, the IAIS, the NAIC, group-wide supervisor or members  
23 of a supervisory college, provided that prior to receiving the  
24 documents, materials or other information, the recipient  
25 demonstrates by written statement the necessary authority and  
26 intent to provide the same confidential treatment to the  
27 documents, materials and information as required by this  
28 article. The department may only share confidential and  
29 privileged documents, materials or information reported under  
30 section 1404(k.1) with state insurance regulators having

1 statutes or regulations substantially similar to subsection (a)  
2 and who have agreed in writing not to disclose such confidential  
3 and privileged documents, materials and information.

4 (2) Receive and maintain as confidential and privileged any  
5 documents, materials or other information, including proprietary  
6 and intellectual property, documents materials and information,  
7 from the IAIS or the NAIC and its affiliates and subsidiaries or  
8 from regulatory and law enforcement officials of this  
9 Commonwealth or other jurisdictions in which the documents,  
10 materials or other information are confidential by law in those  
11 jurisdictions. Documents, materials or other information  
12 obtained under this section shall be given confidential  
13 treatment, may not be subject to subpoena and may not be made  
14 public by the department, commissioner or any other person.

15 (d) The department shall enter into written agreements with  
16 the IAIS or the NAIC and any third-party consultant retained by  
17 the commissioner, the IAIS or the NAIC governing the sharing and  
18 use of information provided under this article, that include all  
19 of the following:

20 (1) Specific procedures and protocols regarding the  
21 confidentiality and security of information shared with the IAIS  
22 or the NAIC [and its affiliates and subsidiaries] or a third-  
23 party consultant retained by the commissioner, the IAIS or the  
24 NAIC under this article, including procedures and protocols for  
25 sharing by the IAIS or the NAIC or a third-party consultant  
26 retained by the commissioner, the IAIS or the NAIC with other  
27 Federal, state or international regulators. The agreement shall  
28 provide that the recipient agrees in writing to maintain the  
29 confidentiality and privileged status of the documents,  
30 materials or other information and has verified in writing the

1 legal authority to maintain the confidentiality.

2 (2) Provisions specifying that ownership of information  
3 shared with the IAIS or the NAIC [and its affiliates and  
4 subsidiaries] or a third-party consultant under this article  
5 remains with the department and that the use of the information  
6 by the IAIS or the NAIC or a third-party consultant retained by  
7 the commissioner, the IAIS or the NAIC is subject to the  
8 approval of the department.

9 (2.1) A provision specifying that, with the exception of  
10 documents, material or information under section 1404(k.1)(6),  
11 the NAIC, or a third-party consultant under this article, is  
12 prohibited from storing information shared under this article in  
13 a permanent database after the underlying analysis is completed.

14 (3) A provision providing that the IAIS or the NAIC and its  
15 affiliates and subsidiaries, or a third-party consultant under  
16 this article, will, where permitted by law, give prompt notice  
17 to the department and the insurer regarding any subpoena,  
18 request for disclosure or request for production of the  
19 insurer's confidential information in the possession of the IAIS  
20 or the NAIC or a third-party consultant under this article.

21 (4) A requirement that the IAIS or the NAIC and its  
22 affiliates and subsidiaries, or a third-party consultant under  
23 this article, will consent to intervention by an insurer in any  
24 judicial or administrative action in which the IAIS or the NAIC  
25 and its affiliates and subsidiaries, or a third-party consultant  
26 under this article may be required to disclose confidential  
27 information about the insurer that was shared with the IAIS or  
28 the NAIC and its affiliates and subsidiaries, or a third-party  
29 consultant under this article.

30 (5) For documents, materials or information reporting under

1 section 1404(k.1)(6), in the case of an agreement involving a  
2 third party consultant, a provision for the notification of the  
3 identity of the consultant to the department and applicable  
4 insurers.

5 (e) The sharing of information by the department under this  
6 article shall not constitute a delegation of regulatory  
7 authority or rulemaking.

8 (f) The department is solely responsible for the  
9 administration, execution and enforcement of the provisions of  
10 this article.

11 (g) The sharing of information by the department as  
12 authorized by subsection (c) shall not constitute a waiver of  
13 any applicable privilege or claim of confidentiality in the  
14 documents, materials or information.

15 (h) Documents, materials or other information in the  
16 possession or control of the IAIS or the NAIC or a third-party  
17 consultant as provided under this article shall:

18 (1) Be confidential and privileged.

19 (2) Not be subject to the "Right-to-Know Law."

20 (3) Not be subject to subpoena.

21 (4) Not be subject to discovery or admissible in evidence in  
22 any private civil action.

23 (i) The group capital calculation results and supporting  
24 disclosures and any group capital calculation information  
25 required under section 1404(k.1)(2) and the liquidity stress  
26 test results and supporting disclosures and any liquidity stress  
27 test information required under section 1404(k.1)(7) are  
28 regulatory tools for assessing group capital adequacy, group  
29 liquidity and associated risks. These tools are not intended as  
30 a means to rank insurers or insurance holding company systems

1 generally and will be used in accordance with the following  
2 standards:

3 (1) Except as otherwise required under this article,  
4 directly or indirectly, making, publishing, disseminating,  
5 circulating or placing before the public in a newspaper,  
6 magazine or other publication, or in the form of a notice,  
7 circular, pamphlet, letter or poster, or over any radio or  
8 television station or any electronic means of communication  
9 available to the public, or in any other way as an  
10 advertisement, announcement or statement containing, a  
11 representation or statement with regard to the group capital  
12 calculation results, the liquidity stress test results and  
13 associated supporting disclosures and information of any insurer  
14 or any insurer group, or of any component derived in the  
15 calculation by any insurer, broker, or other person engaged in  
16 any manner in the insurance business, is misleading and  
17 prohibited.

18 (2) If any materially false statement with respect to the  
19 group capital calculation, resulting group capital ratio, an  
20 inappropriate comparison of any amount to an insurer's or  
21 insurance group's group capital calculation or resulting group  
22 capital ratio, liquidity stress test result, supporting  
23 disclosures for the liquidity stress test or an inappropriate  
24 comparison of any amount to an insurer's or insurance group's  
25 liquidity stress test result or supporting disclosures is  
26 published in any written publication and the insurer is able to  
27 demonstrate to the commissioner with substantial proof the  
28 falsity of such statement or the inappropriateness, as the case  
29 may be, then the insurer may publish announcements in any  
30 written publication if the sole purpose of the announcement is

1 to rebut the materially false statement.

2 Section 6. The act is amended by adding a section to read:

3 Section 1414. Compliance with Group Capital Calculation and

4 Liquidity Stress Test Requirements.--(a) An insurer that is

5 part of an internationally active insurance group shall comply

6 with the requirement to file a group capital calculation report

7 under section 1404(k.1)(2) upon the effective date of this

8 section. All other insurers shall comply with the requirement to

9 file a group capital calculation no later than January 1, 2026.

10 (b) An insurer shall be subject to the liquidity stress test

11 requirements of section 1404(k.1)(7) on January 1, 2023.

12 SECTION 7. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ: <--

13 ARTICLE XXVIII

14 PEER-TO-PEER CARSHARING

15 SEC.

16 2801. SCOPE OF ARTICLE.

17 2802. INTENT.

18 2803. DEFINITIONS.

19 2804. INSURANCE.

20 2805. CONSUMER PROTECTION DISCLOSURES.

21 2806. DRIVER'S LICENSE VERIFICATION.

22 2807. RESPONSIBILITY FOR EQUIPMENT.

23 2808. AUTOMOBILE SAFETY RECALLS.

24 2809. REGULATIONS.

25 § 2801. SCOPE OF ARTICLE.

26 THIS ARTICLE RELATES TO PEER-TO-PEER CARSHARING.

27 § 2802. INTENT.

28 THIS ARTICLE IS INTENDED TO GOVERN THE INTERSECTION OF PEER-

29 TO-PEER CAR SERVICES AND THE STATE-REGULATED BUSINESS OF

30 INSURANCE. NOTHING IN THIS ARTICLE SHALL BE CONSTRUED TO EXTEND

1 BEYOND INSURANCE OR HAVE IMPLICATIONS FOR OTHER LAW OF THIS  
2 STATE, INCLUDING MOTOR VEHICLE REGULATION, AIRPORT REGULATION OR  
3 TAXATION.

4 § 2803. DEFINITIONS.

5 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE  
6 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
7 CONTEXT CLEARLY INDICATES OTHERWISE:

8 "CARSHARING DELIVERY PERIOD." THE PERIOD OF TIME DURING  
9 WHICH A SHARED VEHICLE IS BEING DELIVERED TO THE LOCATION OF THE  
10 CARSHARING START TIME, IF APPLICABLE, AS DOCUMENTED BY A  
11 GOVERNING CARSHARING PROGRAM AGREEMENT.

12 "CARSHARING PERIOD." THE PERIOD OF TIME THAT COMMENCES WITH  
13 A CARSHARING DELIVERY PERIOD OR, IF THERE IS NO CARSHARING  
14 DELIVERY PERIOD, THAT COMMENCES WITH A CARSHARING START TIME AND  
15 IN EITHER CASE ENDS AT A CARSHARING TERMINATION TIME.

16 "CARSHARING PROGRAM AGREEMENT." THE TERMS AND CONDITIONS  
17 APPLICABLE TO A SHARED VEHICLE OWNER AND A SHARED VEHICLE DRIVER  
18 THAT GOVERN THE USE OF A SHARED VEHICLE THROUGH A PEER-TO-PEER  
19 CARSHARING PROGRAM. THE TERM DOES NOT INCLUDE A RENTAL CAR  
20 AGREEMENT.

21 "CARSHARING START TIME." THE TIME WHEN A SHARED VEHICLE  
22 BECOMES SUBJECT TO THE CONTROL OF THE SHARED VEHICLE DRIVER AT  
23 OR AFTER THE TIME THE RESERVATION OF THE SHARED VEHICLE IS  
24 SCHEDULED TO BEGIN AS DOCUMENTED IN THE RECORDS OF A PEER-TO-  
25 PEER CARSHARING PROGRAM.

26 "CARSHARING TERMINATION TIME." THE EARLIEST OF THE FOLLOWING  
27 EVENTS:

28 (1) THE EXPIRATION OF THE AGREED-UPON PERIOD OF TIME  
29 ESTABLISHED FOR THE USE OF A SHARED VEHICLE ACCORDING TO THE  
30 TERMS OF THE CARSHARING PROGRAM AGREEMENT IF THE SHARED



1 VEHICLE IS DELIVERED TO THE LOCATION AGREED UPON IN THE  
2 CARSHARING PROGRAM AGREEMENT;

3 (2) A SHARED VEHICLE IS RETURNED TO A LOCATION AS  
4 ALTERNATIVELY AGREED UPON BY THE SHARED VEHICLE OWNER AND  
5 SHARED VEHICLE DRIVER AS COMMUNICATED THROUGH A PEER-TO-PEER  
6 CARSHARING PROGRAM, WHICH ALTERNATIVELY AGREED-UPON LOCATION  
7 SHALL BE INCORPORATED INTO THE CARSHARING PROGRAM AGREEMENT;  
8 OR

9 (3) A SHARED VEHICLE OWNER OR THE SHARED VEHICLE OWNER'S  
10 AUTHORIZED DESIGNEE, TAKES POSSESSION AND CONTROL OF THE  
11 SHARED VEHICLE.

12 "PEER-TO-PEER CARSHARING." THE AUTHORIZED USE OF A VEHICLE  
13 BY AN INDIVIDUAL OTHER THAN THE VEHICLE'S OWNER THROUGH A PEER-  
14 TO-PEER CARSHARING PROGRAM. THE TERM DOES NOT INCLUDE A RENTAL  
15 CAR OBTAINED THROUGH A RENTAL CAR COMPANY.

16 "PEER-TO-PEER CARSHARING PROGRAM." A BUSINESS PLATFORM THAT  
17 CONNECTS VEHICLE OWNERS WITH DRIVERS TO ENABLE THE SHARING OF  
18 VEHICLES FOR FINANCIAL CONSIDERATION.

19 "RENTAL CAR" OR "RENTAL VEHICLE." A PRIVATE PASSENGER MOTOR  
20 VEHICLE DESIGNED TO TRANSPORT 15 OR FEWER PASSENGERS OR A TRUCK,  
21 TRAILER OR SEMITRAILER USED IN THE TRANSPORTATION OF PROPERTY  
22 OTHER THAN COMMERCIAL FREIGHT, THAT IS RENTED WITHOUT A DRIVER  
23 AND IS PART OF A FLEET OF FIVE OR MORE SUCH VEHICLES USED FOR  
24 THAT PURPOSE, OWNED OR LEASED BY THE SAME PERSON OR ENTITY.

25 "RENTAL CAR COMPANY." A BUSINESS ENTITY ENGAGED IN THE  
26 BUSINESS OF RENTING RENTAL VEHICLES IN THIS COMMONWEALTH.

27 "SHARED VEHICLE." A VEHICLE THAT IS AVAILABLE FOR SHARING  
28 THROUGH A PEER-TO-PEER CARSHARING PROGRAM. THE TERM DOES NOT  
29 INCLUDE A RENTAL CAR OR RENTAL VEHICLE.

30 "SHARED VEHICLE DRIVER." AN INDIVIDUAL WHO HAS BEEN

1 AUTHORIZED TO DRIVE A SHARED VEHICLE BY THE SHARED VEHICLE OWNER  
2 UNDER A CARSHARING PROGRAM AGREEMENT.

3 "SHARED VEHICLE OWNER." THE REGISTERED OWNER, OR A PERSON OR  
4 ENTITY DESIGNATED BY THE REGISTERED OWNER, OF A VEHICLE MADE  
5 AVAILABLE FOR SHARING TO SHARED VEHICLE DRIVERS THROUGH A PEER-  
6 TO-PEER CARSHARING PROGRAM.

7 § 2804. INSURANCE.

8 (A) INSURANCE COVERAGE DURING CARSHARING PERIOD.--

9 (1) A PEER-TO-PEER CARSHARING PROGRAM SHALL ASSUME  
10 LIABILITY, EXCEPT AS PROVIDED UNDER PARAGRAPH (2), OF A  
11 SHARED VEHICLE OWNER FOR BODILY INJURY OR PROPERTY DAMAGE TO  
12 THIRD PARTIES OR UNINSURED AND UNDERINSURED MOTORIST OR  
13 PERSONAL INJURY PROTECTION LOSSES DURING THE CARSHARING  
14 PERIOD IN AN AMOUNT STATED IN THE CARSHARING PROGRAM  
15 AGREEMENT WHICH AMOUNT MAY NOT BE LESS THAN THOSE SPECIFIED  
16 IN 75 PA.C.S. CH. 17 (RELATING TO FINANCIAL RESPONSIBILITY).

17 (2) NOTWITHSTANDING THE DEFINITION OF "CARSHARING  
18 TERMINATION TIME," THE ASSUMPTION OF LIABILITY UNDER  
19 PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY TO A SHARED  
20 VEHICLE OWNER WHEN:

21 (I) THE SHARED VEHICLE OWNER MAKES AN INTENTIONAL OR  
22 FRAUDULENT MATERIAL MISREPRESENTATION OR OMISSION TO THE  
23 PEER-TO-PEER CARSHARING PROGRAM BEFORE THE CARSHARING  
24 PERIOD IN WHICH THE LOSS OCCURRED; OR

25 (II) ACTING IN CONCERT WITH A SHARED VEHICLE DRIVER  
26 WHO FAILS TO RETURN THE SHARED VEHICLE PURSUANT TO THE  
27 TERMS OF CARSHARING PROGRAM AGREEMENT.

28 (3) NOTWITHSTANDING THE DEFINITION OF "CARSHARING  
29 TERMINATION TIME," THE ASSUMPTION OF LIABILITY UNDER  
30 PARAGRAPH (1) SHALL APPLY TO BODILY INJURY, PROPERTY DAMAGE,

1 UNINSURED AND UNDERINSURED MOTORIST OR PERSONAL INJURY  
2 PROTECTION LOSSES BY DAMAGED THIRD PARTIES REQUIRED BY 75  
3 PA.C.S. CH. 17.

4 (4) A PEER-TO-PEER CARSHARING PROGRAM SHALL ENSURE THAT,  
5 DURING EACH CARSHARING PERIOD, THE SHARED VEHICLE OWNER AND  
6 THE SHARED VEHICLE DRIVER ARE INSURED UNDER A MOTOR VEHICLE  
7 LIABILITY INSURANCE POLICY THAT PROVIDES INSURANCE COVERAGE  
8 IN AMOUNTS NO LESS THAN THE MINIMUM AMOUNTS SPECIFIED IN 75  
9 PA.C.S. CH. 17 AND:

10 (I) RECOGNIZES THAT THE SHARED VEHICLE INSURED UNDER  
11 THE POLICY IS MADE AVAILABLE AND USED THROUGH A PEER-TO-  
12 PEER CARSHARING PROGRAM; OR

13 (II) DOES NOT EXCLUDE USE OF A SHARED VEHICLE BY A  
14 SHARED VEHICLE DRIVER.

15 (5) THE INSURANCE DESCRIBED UNDER PARAGRAPH (4) MAY BE  
16 SATISFIED BY MOTOR VEHICLE LIABILITY INSURANCE MAINTAINED BY:

17 (I) A SHARED VEHICLE OWNER;

18 (II) A SHARED VEHICLE DRIVER;

19 (III) A PEER-TO-PEER CARSHARING PROGRAM; OR

20 (IV) A SHARED VEHICLE OWNER, A SHARED VEHICLE DRIVER  
21 AND A PEER-TO-PEER CARSHARING PROGRAM.

22 (6) THE INSURANCE DESCRIBED UNDER PARAGRAPH (5) THAT  
23 SATISFIES THE INSURANCE REQUIREMENT OF PARAGRAPH (4) SHALL BE  
24 PRIMARY DURING EACH CARSHARING PERIOD AND IN THE EVENT THAT A  
25 CLAIM OCCURS IN ANOTHER STATE WITH MINIMUM FINANCIAL  
26 RESPONSIBILITY LIMITS HIGHER THAN SPECIFIED IN 75 PA.C.S. CH.  
27 17, DURING THE CARSHARING PERIOD, THE COVERAGE MAINTAINED  
28 UNDER PARAGRAPH (5) SHALL SATISFY THE DIFFERENCE IN MINIMUM  
29 COVERAGE AMOUNTS, UP TO THE APPLICABLE POLICY LIMITS.

30 (7) THE INSURER, INSURERS OR PEER-TO-PEER CARSHARING

1 PROGRAM PROVIDING COVERAGE UNDER PARAGRAPH (4) OR (5) SHALL  
2 ASSUME PRIMARY LIABILITY FOR A CLAIM WHEN:

3 (I) A DISPUTE EXISTS AS TO WHO WAS IN CONTROL OF THE  
4 SHARED VEHICLE AT THE TIME OF THE LOSS AND THE PEER-TO-  
5 PEER CARSHARING PROGRAM DOES NOT HAVE AVAILABLE, DID NOT  
6 RETAIN, OR FAILS TO PROVIDE THE INFORMATION REQUIRED BY  
7 SUBSECTION (D); OR

8 (II) A DISPUTE EXISTS AS TO WHETHER THE SHARED  
9 VEHICLE WAS RETURNED TO THE ALTERNATIVELY AGREED-UPON  
10 LOCATION AS REQUIRED BY THIS ARTICLE.

11 (8) IF INSURANCE MAINTAINED BY A SHARED VEHICLE OWNER OR  
12 SHARED VEHICLE DRIVER IN ACCORDANCE WITH PARAGRAPH (5) HAS  
13 LAPSED OR DOES NOT PROVIDE THE REQUIRED COVERAGE, INSURANCE  
14 MAINTAINED BY A PEER-TO-PEER CARSHARING PROGRAM SHALL PROVIDE  
15 THE COVERAGE REQUIRED BY PARAGRAPH (4) BEGINNING WITH THE  
16 FIRST DOLLAR OF A CLAIM AND HAVE THE DUTY TO DEFEND SUCH  
17 CLAIM EXCEPT UNDER CIRCUMSTANCES AS PROVIDED UNDER PARAGRAPH  
18 (2).

19 (9) COVERAGE UNDER AN AUTOMOBILE INSURANCE POLICY  
20 MAINTAINED BY THE PEER-TO-PEER CARSHARING PROGRAM SHALL NOT  
21 BE DEPENDENT ON ANOTHER AUTOMOBILE INSURER FIRST DENYING A  
22 CLAIM NOR SHALL ANOTHER AUTOMOBILE INSURANCE POLICY BE  
23 REQUIRED TO FIRST DENY A CLAIM.

24 (10) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO:

25 (I) LIMIT THE LIABILITY OF THE PEER-TO-PEER  
26 CARSHARING PROGRAM FOR AN ACT OR OMISSION OF THE PEER-TO-  
27 PEER CARSHARING PROGRAM ITSELF THAT RESULTS IN INJURY TO  
28 A PERSON AS A RESULT OF THE USE OF A SHARED VEHICLE  
29 THROUGH A PEER-TO-PEER CARSHARING PROGRAM; OR

30 (II) LIMIT THE ABILITY OF THE PEER-TO-PEER

1 CARSHARING PROGRAM TO, BY CONTRACT, SEEK INDEMNIFICATION  
2 FROM A SHARED VEHICLE OWNER OR A SHARED VEHICLE DRIVER  
3 FOR ECONOMIC LOSS SUSTAINED BY A PEER-TO-PEER CARSHARING  
4 PROGRAM RESULTING FROM A BREACH OF THE TERMS AND  
5 CONDITIONS OF THE CARSHARING PROGRAM AGREEMENT.

6 (B) NOTIFICATION OF IMPLICATIONS OF LIEN.--AT THE TIME WHEN  
7 A VEHICLE OWNER REGISTERS AS A SHARED VEHICLE OWNER ON A PEER-  
8 TO-PEER CARSHARING PROGRAM AND PRIOR TO THE TIME WHEN THE SHARED  
9 VEHICLE OWNER MAKES A SHARED VEHICLE AVAILABLE FOR CARSHARING ON  
10 THE PEER-TO-PEER CARSHARING PROGRAM, THE PEER-TO-PEER CARSHARING  
11 PROGRAM SHALL NOTIFY THE SHARED VEHICLE OWNER THAT, IF THE  
12 SHARED VEHICLE HAS A LIEN AGAINST IT, THE USE OF THE SHARED  
13 VEHICLE THROUGH A PEER-TO-PEER CARSHARING PROGRAM, INCLUDING USE  
14 WITHOUT PHYSICAL DAMAGE COVERAGE, MAY VIOLATE THE TERMS OF THE  
15 CONTRACT WITH THE LIENHOLDER.

16 (C) EXCLUSIONS IN MOTOR VEHICLE LIABILITY INSURANCE  
17 POLICIES.--

18 (1) AN AUTHORIZED INSURER THAT WRITES MOTOR VEHICLE  
19 LIABILITY INSURANCE IN THIS COMMONWEALTH MAY EXCLUDE ANY AND  
20 ALL COVERAGE AND THE DUTY TO DEFEND OR INDEMNIFY FOR A CLAIM  
21 AFFORDED UNDER A SHARED VEHICLE OWNER'S MOTOR VEHICLE  
22 LIABILITY INSURANCE POLICY, INCLUDING:

23 (I) LIABILITY COVERAGE FOR BODILY INJURY AND  
24 PROPERTY DAMAGE;

25 (II) PERSONAL INJURY PROTECTION COVERAGE;

26 (III) UNINSURED AND UNDERINSURED MOTORIST COVERAGE;

27 (IV) MEDICAL PAYMENTS COVERAGE;

28 (V) COMPREHENSIVE PHYSICAL DAMAGE COVERAGE; AND

29 (VI) COLLISION PHYSICAL DAMAGE COVERAGE.

30 (2) NOTHING IN THIS ARTICLE SHALL BE CONSTRUED TO:

1           (I) INVALIDATE OR LIMIT AN EXCLUSION CONTAINED IN A  
2           MOTOR VEHICLE LIABILITY INSURANCE POLICY, INCLUDING AN  
3           INSURANCE POLICY IN USE OR APPROVED FOR USE THAT EXCLUDES  
4           COVERAGE FOR MOTOR VEHICLES MADE AVAILABLE FOR RENT,  
5           SHARING OR HIRE OR FOR ANY BUSINESS USE.

6           (II) INVALIDATE, LIMIT OR RESTRICT AN INSURER'S  
7           ABILITY UNDER EXISTING LAW TO UNDERWRITE ANY INSURANCE  
8           POLICY.

9           (III) INVALIDATE, LIMIT OR RESTRICT AN INSURER'S  
10           ABILITY UNDER EXISTING LAW TO CANCEL AND NONRENEW POLICY.

11       (D) RECORDKEEPING AND USE OF VEHICLE IN CARSHARING.--

12           (1) A PEER-TO-PEER CARSHARING PROGRAM SHALL COLLECT AND  
13           VERIFY RECORDS PERTAINING TO THE USE OF A VEHICLE, INCLUDING  
14           TIMES USED, CARSHARING PERIOD PICKUP AND DROP OFF LOCATIONS,  
15           FEES PAID BY THE SHARED VEHICLE DRIVER AND REVENUES RECEIVED  
16           BY THE SHARED VEHICLE OWNER AND PROVIDE THAT INFORMATION UPON  
17           REQUEST TO THE SHARED VEHICLE OWNER, THE SHARED VEHICLE  
18           OWNER'S INSURER OR THE SHARED VEHICLE DRIVER'S INSURER TO  
19           FACILITATE A CLAIM COVERAGE INVESTIGATION, SETTLEMENT,  
20           NEGOTIATION OR LITIGATION.

21           (2) THE PEER-TO-PEER CARSHARING PROGRAM SHALL RETAIN THE  
22           RECORDS FOR A TIME PERIOD NOT LESS THAN THE APPLICABLE  
23           PERSONAL INJURY STATUTE OF LIMITATIONS.

24       (E) EXEMPTION AND VICARIOUS LIABILITY.--A PEER-TO-PEER  
25       CARSHARING PROGRAM AND A SHARED VEHICLE OWNER SHALL BE EXEMPT  
26       FROM VICARIOUS LIABILITY IN ACCORDANCE WITH 49 U.S.C. § 30106  
27       (RELATING TO RENTED OR LEASED MOTOR VEHICLE SAFETY AND  
28       RESPONSIBILITY) AND UNDER ANY STATE OR LOCAL LAW THAT IMPOSES  
29       LIABILITY SOLELY BASED ON VEHICLE OWNERSHIP.

30       (F) CONTRIBUTION AGAINST INDEMNIFICATION.--A MOTOR VEHICLE

1 INSURER THAT DEFENDS OR INDEMNIFIES A CLAIM AGAINST A SHARED  
2 VEHICLE THAT IS EXCLUDED UNDER THE TERMS OF THE POLICY SHALL  
3 HAVE THE RIGHT TO SEEK RECOVERY AGAINST THE MOTOR VEHICLE  
4 INSURER OF THE PEER-TO-PEER CARSHARING PROGRAM IF THE CLAIM IS:

5 (1) MADE AGAINST THE SHARED VEHICLE OWNER OR THE SHARED  
6 VEHICLE DRIVER FOR LOSS OR INJURY THAT OCCURS DURING THE  
7 CARSHARING PERIOD.

8 (2) EXCLUDED UNDER THE TERMS OF THE POLICY.

9 (G) INSURABLE INTEREST.--

10 (1) NOTWITHSTANDING ANY OTHER LAW, STATUTE, RULE OR  
11 REGULATION TO THE CONTRARY, A PEER-TO-PEER CARSHARING PROGRAM  
12 SHALL HAVE AN INSURABLE INTEREST IN A SHARED VEHICLE DURING  
13 THE CARSHARING PERIOD.

14 (2) NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED AS  
15 CREATING LIABILITY ON A PEER-TO-PEER CARSHARING PROGRAM TO  
16 MAINTAIN THE COVERAGE MANDATED BY SUBSECTION (A).

17 (3) A PEER-TO-PEER CARSHARING PROGRAM MAY OWN AND  
18 MAINTAIN AS THE NAMED INSURED ONE OR MORE POLICIES OF MOTOR  
19 VEHICLE LIABILITY INSURANCE THAT PROVIDES COVERAGE FOR:

20 (I) LIABILITIES ASSUMED BY THE PEER-TO-PEER  
21 CARSHARING PROGRAM UNDER A CARSHARING PROGRAM AGREEMENT;

22 (II) LIABILITY OF THE SHARED VEHICLE OWNER;

23 (III) DAMAGE OR LOSS TO THE SHARED VEHICLE; OR

24 (IV) LIABILITY OF THE SHARED VEHICLE DRIVER.

25 § 2805. CONSUMER PROTECTION DISCLOSURES.

26 A CARSHARING PROGRAM AGREEMENT SHALL DISCLOSE TO THE SHARED  
27 VEHICLE OWNER AND THE SHARED VEHICLE DRIVER:

28 (1) A RIGHT OF THE PEER-TO-PEER CARSHARING PROGRAM TO  
29 SEEK INDEMNIFICATION FROM THE SHARED VEHICLE OWNER OR THE  
30 SHARED VEHICLE DRIVER FOR ECONOMIC LOSS SUSTAINED BY THE

1 PEER-TO-PEER CARSHARING PROGRAM RESULTING FROM A BREACH OF  
2 THE TERMS AND CONDITIONS OF THE CARSHARING PROGRAM AGREEMENT.

3 (2) THAT A MOTOR VEHICLE LIABILITY INSURANCE POLICY  
4 ISSUED TO THE SHARED VEHICLE OWNER FOR THE SHARED VEHICLE OR  
5 TO THE SHARED VEHICLE DRIVER DOES NOT PROVIDE A DEFENSE OR  
6 INDEMNIFICATION FOR A CLAIM ASSERTED BY THE PEER-TO-PEER  
7 CARSHARING PROGRAM.

8 (3) THAT THE PEER-TO-PEER CARSHARING PROGRAM'S INSURANCE  
9 COVERAGE ON THE SHARED VEHICLE OWNER AND THE SHARED VEHICLE  
10 DRIVER IS IN EFFECT ONLY DURING EACH CARSHARING PERIOD AND  
11 THAT, FOR ANY USE OF THE SHARED VEHICLE BY THE SHARED VEHICLE  
12 DRIVER AFTER THE CARSHARING TERMINATION TIME, THE SHARED  
13 VEHICLE DRIVER AND THE SHARED VEHICLE OWNER MAY NOT HAVE  
14 INSURANCE COVERAGE.

15 (4) THE DAILY RATE, FEES AND, IF APPLICABLE, INSURANCE  
16 OR PROTECTION PACKAGE COSTS THAT ARE CHARGED TO THE SHARED  
17 VEHICLE OWNER OR THE SHARED VEHICLE DRIVER.

18 (5) THAT THE SHARED VEHICLE OWNER'S MOTOR VEHICLE  
19 LIABILITY INSURANCE MAY NOT PROVIDE COVERAGE FOR A SHARED  
20 VEHICLE.

21 (6) AN EMERGENCY TELEPHONE NUMBER TO PERSONNEL CAPABLE  
22 OF FIELDING ROADSIDE ASSISTANCE AND OTHER CUSTOMER SERVICE  
23 INQUIRIES.

24 (7) IF THERE ARE CONDITIONS UNDER WHICH A SHARED VEHICLE  
25 DRIVER MUST MAINTAIN A PERSONAL AUTOMOBILE INSURANCE POLICY  
26 WITH CERTAIN APPLICABLE COVERAGE LIMITS ON A PRIMARY BASIS IN  
27 ORDER TO BOOK A SHARED VEHICLE.

28 § 2806. DRIVER'S LICENSE VERIFICATION.

29 (A) CONDITIONS FOR CARSHARING PROGRAM AGREEMENT.--A PEER-TO-  
30 PEER CARSHARING PROGRAM MAY NOT ENTER INTO A CARSHARING PROGRAM



1 AGREEMENT WITH A DRIVER UNLESS THE DRIVER WHO WILL OPERATE THE  
2 SHARED VEHICLE:

3 (1) HOLDS A DRIVER'S LICENSE ISSUED BY THE DEPARTMENT OF  
4 TRANSPORTATION THAT AUTHORIZES THE DRIVER TO OPERATE VEHICLES  
5 OF THE CLASS OF THE SHARED VEHICLE; OR

6 (2) IS A NONRESIDENT WHO:

7 (I) HAS A DRIVER'S LICENSE ISSUED BY THE STATE OR  
8 COUNTRY OF THE DRIVER'S RESIDENCE THAT AUTHORIZES THE  
9 DRIVER IN THAT STATE OR COUNTRY TO DRIVE VEHICLES OF THE  
10 CLASS OF THE SHARED VEHICLE; AND

11 (II) IS AT LEAST THE SAME AGE AS THAT REQUIRED OF A  
12 RESIDENT TO DRIVE; OR

13 (3) OTHERWISE IS SPECIFICALLY AUTHORIZED BY LAW TO DRIVE  
14 VEHICLES OF THE CLASS OF THE SHARED VEHICLE.

15 (B) DATA RETENTION.--A PEER-TO-PEER CARSHARING PROGRAM SHALL  
16 KEEP A RECORD OF:

17 (1) THE NAME AND ADDRESS OF THE SHARED VEHICLE DRIVER.

18 (2) THE NUMBER OF THE DRIVER'S LICENSE OF THE SHARED  
19 VEHICLE DRIVER AND EACH OTHER PERSON, IF ANY, WHO WILL  
20 OPERATE THE SHARED VEHICLE.

21 (3) THE PLACE OF ISSUANCE OF THE DRIVER'S LICENSE.

22 § 2807. RESPONSIBILITY FOR EQUIPMENT.

23 A PEER-TO-PEER CARSHARING PROGRAM SHALL HAVE SOLE  
24 RESPONSIBILITY FOR EQUIPMENT, SUCH AS A GPS SYSTEM OR OTHER  
25 SPECIAL EQUIPMENT THAT IS PUT IN OR ON THE SHARED VEHICLE TO  
26 MONITOR OR FACILITATE THE CARSHARING TRANSACTION, AND SHALL  
27 AGREE TO INDEMNIFY AND HOLD HARMLESS THE SHARED VEHICLE OWNER  
28 FOR DAMAGE TO OR THEFT OF THE EQUIPMENT DURING THE CARSHARING  
29 PERIOD NOT CAUSED BY THE SHARED VEHICLE OWNER. THE PEER-TO-PEER  
30 CARSHARING PROGRAM HAS THE RIGHT TO SEEK INDEMNITY FROM THE

1 SHARED VEHICLE DRIVER FOR LOSS OR DAMAGE TO THE EQUIPMENT THAT  
2 OCCURS DURING THE CARSHARING PERIOD.

3 § 2808. AUTOMOBILE SAFETY RECALLS.

4 (A) VERIFICATION AND NOTIFICATION.--AT THE TIME WHEN A  
5 VEHICLE OWNER REGISTERS AS A SHARED VEHICLE OWNER ON A PEER-TO-  
6 PEER CARSHARING PROGRAM AND PRIOR TO THE TIME WHEN THE SHARED  
7 VEHICLE OWNER MAKES A SHARED VEHICLE AVAILABLE FOR CARSHARING ON  
8 THE PEER-TO-PEER CARSHARING PROGRAM, THE PEER-TO-PEER CARSHARING  
9 PROGRAM SHALL:

10 (1) VERIFY THAT THE SHARED VEHICLE DOES NOT HAVE ANY  
11 SAFETY RECALLS ON THE VEHICLE FOR WHICH THE REPAIRS HAVE NOT  
12 BEEN MADE.

13 (2) NOTIFY THE SHARED VEHICLE OWNER OF THE REQUIREMENTS  
14 UNDER SUBSECTION (B).

15 (B) EFFECT OF SAFETY RECALL.--

16 (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 THE VEHICLE AVAILABLE AS A SHARED VEHICLE  
19 ON A PEER-TO-PEER CARSHARING PROGRAM UNTIL THE SAFETY RECALL  
20 REPAIR HAS BEEN MADE.

21 (2) IF A SHARED VEHICLE OWNER RECEIVES AN ACTUAL NOTICE  
22 OF A SAFETY RECALL ON A SHARED VEHICLE WHILE THE SHARED  
23 VEHICLE IS AVAILABLE ON THE PEER-TO-PEER CARSHARING PROGRAM,  
24 THE SHARED VEHICLE OWNER SHALL REMOVE THE SHARED VEHICLE AS  
25 AVAILABLE ON THE PEER-TO-PEER CARSHARING PROGRAM, AS SOON AS  
26 PRACTICABLY POSSIBLE AFTER RECEIVING THE NOTICE OF THE SAFETY  
27 RECALL AND UNTIL THE SAFETY RECALL REPAIR HAS BEEN MADE.

28 (3) IF A SHARED VEHICLE OWNER RECEIVES AN ACTUAL NOTICE  
29 OF A SAFETY RECALL WHILE THE SHARED VEHICLE IS BEING USED IN  
30 THE POSSESSION OF A SHARED VEHICLE DRIVER, AS SOON AS

1 PRACTICABLY POSSIBLE AFTER RECEIVING THE NOTICE OF THE SAFETY  
2 RECALL, THE SHARED VEHICLE OWNER SHALL NOTIFY THE PEER-TO-  
3 PEER CARSHARING PROGRAM ABOUT THE SAFETY RECALL SO THAT THE  
4 SHARED VEHICLE OWNER MAY ADDRESS THE SAFETY RECALL REPAIR.

5 § 2809. REGULATIONS.

6 THE INSURANCE COMMISSIONER MAY PROMULGATE RULES AND  
7 REGULATIONS THAT ARE NOT INCONSISTENT WITH AND NECESSARY TO  
8 ADMINISTER AND ENFORCE THE PROVISIONS OF THIS ARTICLE.

9 Section 7 8. This act shall take effect ~~in 60 days.~~ AS <--  
10 FOLLOWS:

- 11 (1) THE FOLLOWING SHALL TAKE EFFECT IMMEDIATELY:  
12 (I) THIS SECTION.  
13 (II) THE ADDITION OF ARTICLE XXVIII OF THE ACT.  
14 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT IN 60  
15 DAYS.