

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PERSONAL VEHICLE SHARING PROGRAM EXCLUSION ENDORSEMENT

With respect to coverage provided by this endorsement, the provisions of the policy apply unless modified by the endorsement.

I. Part A – Liability Coverage

Part A is amended as follows:

The following exclusion is added:

We do not provide Liability Coverage for the ownership, maintenance or use of:

"Your covered auto" while:

- a. Enrolled in a personal vehicle sharing program under the terms of a written agreement; and
- b. Being used in connection with such personal vehicle sharing program by anyone other than you or any "family member".

II. Part B – Medical Payments Coverage

Part B is amended as follows:

The following exclusion is added:

We do not provide Medical Payments Coverage for any "insured" for "bodily injury":

Sustained while "occupying", or when struck by, "your covered auto" while:

- a. Enrolled in a personal vehicle sharing program under the terms of a written agreement; and
- b. Being used in connection with such personal vehicle sharing program by anyone other than you or any "family member".

III. Part C – Uninsured Motorists Coverage

Part C is amended as follows:

The following exclusion is added:

We do not provide Uninsured Motorists Coverage for "bodily injury" sustained:

By any "insured" while "occupying", or when struck by, "your covered auto" while:

- a. Enrolled in a personal vehicle sharing program under the terms of a written agreement; and
- b. Being used in connection with such personal vehicle sharing program by anyone other than you or any "family member".

IV. Part D – Coverage For Damage To Your Auto

Part D is amended as follows:

The following exclusions are added:

We will not pay for:

Loss to "your covered auto" which occurs while:

- a. Enrolled in a personal vehicle sharing program under the terms of a written agreement; and
- b. Being used in connection with such personal vehicle sharing program by anyone other than you or any "family member".

Loss to, or loss of use of, a "non-owned auto" used by:

- a. You; or
- b. Any "family member";

in connection with a personal vehicle sharing program if the provisions of such a personal vehicle sharing program preclude the recovery of such loss or loss of use, from you or that "family member", or if otherwise precluded by any state law.

V. Underinsured Motorist Coverage Endorsement

If the Underinsured Motorists Coverage Endorsement is attached to the policy, the following exclusion is added:

We do not provide Underinsured Motorists Coverage for "bodily injury" sustained:

By any "insured" while "occupying", or when struck by, "your covered auto" while:

- a. Enrolled in a personal vehicle sharing program under the terms of a written agreement; and
- b. Being used in connection with such personal vehicle sharing program by anyone other than you or any "family member".

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Introduction of a Personal Vehicle Sharing Program Exclusion Endorsement

Introduction

In recent years, ISO has seen the emergence of car sharing, specifically personal vehicle sharing. Unlike traditional rental car companies, which maintain a fleet of vehicles, personal vehicle sharing programs generally do not own a fleet of vehicles but instead facilitate the sharing of privately owned private passenger motor vehicles for noncommercial use by individuals enrolled in the program. In general, car sharing is a variation of car rental service that is used for short periods of time, ranging for example, from one hour to a few days. Companies involved in car sharing programs typically attract individuals who do not have their own vehicle and prefer more flexibility than is currently available through traditional car rental businesses.

ISO has been monitoring the legislative activity countrywide with respect to insurance coverage implications involving car sharing. In several states that have passed laws, the personal vehicle sharing program essentially shall assume all liability of the vehicle owner and shall be considered the vehicle owner for all purposes. Thus, vehicle owners and their personal auto insurer are held harmless for losses that occur when the vehicle is in use as part of a car sharing program. It appears that the vehicle owner's private passenger auto insurance will not be expected to provide coverage if an accident occurs while the vehicle is being operated by a participant of a car sharing program.

A vehicle being used as part of a personal vehicle sharing program may introduce new exposures that are not explicitly addressed within the definition of "insured" in the Insuring Agreement of the Personal Auto Policy (PAP). The definition of insured in Part A - Liability Coverage, of the PAP includes you, any "family member" with respect to the ownership, maintenance or use of any auto and any person using "your covered auto". However, Exclusion A.8. of Part A generally excludes any insured using "a vehicle without a reasonable belief" that he or she is entitled to do so. Thus, liability coverage under the PAP, in the context of these provisions, may be available in situations where the named insured gave someone they know permission to use their vehicle; usually in the absence of a written agreement. By comparison, in situations where a vehicle owner enrolls

his/her vehicle in a car sharing program subject to the terms of a written agreement, *any* participant in the car sharing program, including individuals who the named insured does not personally know, may use the vehicle and may arguably still be a permissive user of that covered auto.

Currently, in the Personal Vehicle Manual, policies are rated based on the named insured and family member generally being the most frequent operators of the vehicles rated under the policy. Occasional operators are not typically rated on the policy since it may often be considered an infrequent exposure so such operators generally need not be named to be covered under the PAP. If a vehicle is enrolled in car sharing, it is possible that the exposure could be contrary to the norm with the "occasional" operators who are not part of the named insured's household becoming the most frequent operators.

About This Filing

In response to the growing popularity of car sharing and the new exposures associated with participation in personal vehicle sharing programs that are not contemplated under a traditional personal auto program, ISO is introducing a Personal Vehicle Sharing Program Exclusion Endorsement.

New Form

We are introducing **PP 23 16 10 13**, Personal Vehicle Sharing Program Exclusion Endorsement.

Explanation of Changes

In order to address the new exposures related to participation in a personal vehicle sharing program, ISO is introducing PP 23 16 10 13, Personal Vehicle Sharing Program Exclusion Endorsement.

PP 23 16 10 13, Personal Vehicle Sharing Program Exclusion Endorsement, will be attached to all Personal Auto Policies in order to revise the Exclusion sections of:

- ◆ Part A - Liability Coverage of the PAP;
- ◆ Part B - Medical Payments Coverage of the PAP;
- ◆ Part C - Uninsured Motorists Coverage of the PAP;
- ◆ Part D - Coverage For Damage To Your Auto of the PAP; and
- ◆ PP 03 11, Underinsured Motorists (UIM) Coverage;

to exclude coverage in situations when "your covered auto" or a "non-owned auto" is being operated within the context of a personal vehicle sharing program.

The specific exclusions being introduced via PP 23 16, are as follows:

◆ Part A - Liability Coverage

We do not provide Liability Coverage for the ownership, maintenance or use of:

"Your covered auto" while:

- a. Enrolled in a personal vehicle sharing program under the terms of a written agreement; and
- b. Being used in connection with such personal vehicle sharing program by anyone other than you or any "family member".

◆ Part B - Medical Payments Coverage

We do not provide Medical Payments Coverage for any "insured" for "bodily injury":

Sustained while "occupying", or when struck by, "your covered auto" while:

- a. Enrolled in a personal vehicle sharing program under the terms of a written agreement; and
- b. Being used in connection with such personal vehicle sharing program by anyone other than you or any "family member".

◆ Part C - Uninsured Motorists Coverage

We do not provide Uninsured Motorists Coverage for "bodily injury" sustained:

By any "insured" while "occupying", or when struck by, "your covered auto" while:

- a. Enrolled in a personal vehicle sharing program under the terms of a written agreement; and
- b. Being used in connection with such personal vehicle sharing program by anyone other than you or any "family member".

◆ Part D- Coverage For Damage To Your Auto

We will not pay for:

Loss to "your covered auto" which occurs while:

- a. Enrolled in a personal vehicle sharing program under the terms of a written agreement; and
- b. Being used in connection with such personal vehicle sharing program by anyone other than you or any "family member".

Loss to, or loss of use of, a "non owned auto" used by:

- a. You; or
- b. Any "family member";
in connection with a personal vehicle sharing program if the provisions of such a personal vehicle sharing program preclude the recovery of such loss or loss of use, from you or that "family member", or if otherwise precluded by any state law.

◆ PP 03 11, Underinsured Motorists Coverage

We do not provide Underinsured Motorists Coverage for "bodily injury" sustained:

By any "insured" while "occupying", or when struck by, "your covered auto" while:

- a. Enrolled in a personal vehicle sharing program under the terms of a written agreement; and
- b. Being used in connection with such personal vehicle sharing program by anyone other than you or any "family member".

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