

NEW SHARING ECONOMY

Legal Analysis: RelayRides

We looked at the regulatory environment for RelayRides, which is a peer-to-peer carsharing platform allowing private car-owners to rent out their vehicles via an online interface. There appears to be little substantive regulation of this type of arrangement at the State of Florida level.

The Florida Department of Highway Safety and Motor Vehicles does not license companies engaging in the short-term rental of motor vehicles. Licensure of rental car companies is instead undertaken by local governments. For example, Fla. Stat. § 125.01(1)(n) authorizes counties to "[l]icense and regulate taxis, jitneys, limousines for hire, rental cars, and other passenger vehicles for hire that operate in the unincorporated areas of the county." The Department instead regulates dealers of motor vehicles, mobile home and recreation vehicles pursuant to Chapter 320 of the Florida Statutes. However, the Department requires that vehicles used as "short-term rental vehicles" (an undefined term) with a capacity of under nine passengers be registered as a "motor vehicle for hire" with a registration period beginning June 1 and ending May 31. Fla. Stat. §§ 320.055(4), 320.08(6)(a), 320.08 (14). A "for-hire vehicle" to which these provisions apply is defined to include any vehicle "let or rented to another for consideration; offered for rent or hire as a means of transportation for compensation; advertised in a newspaper or generally held out as being for rent or hire; . . . or offered or used to provide transportation for persons solicited through personal contact or advertised on a 'share-expense' basis." Fla. Stat. § 320.01(15)(a).

Vehicle owners participating in and earning revenue from rentals ordered from RelayRides do not have any special insurance requirements, and do not appear to be subject to the same heightened insurance requirements as drivers engaged in ridesharing activities for Uber or Lyft. As discussed in our memorandum on Uber and Lyft, the owner of any "for-hire passenger transportation vehicle" must have a motor vehicle liability policy with minimum limits of \$125,000 per person and \$250,000 per incident for bodily injury and up to \$50,000 for property damage. Unlike a "for-hire vehicle," which is defined in Chapter 320 of the Florida Statutes, a "for-hire passenger transportation vehicle" is not defined in Chapter 324 of the Florida Statutes, which governs motor vehicle liability insurance. However, the statute imposing the heightened minimum insurance coverage requirements for "for-hire passenger transportation vehicles" cites taxicabs and other vehicles operated by a person other than the consumer of the transportation services:

A person who is either the owner or a lessee required to maintain insurance under s. 627.733(1)(b) and who operates one or more taxicabs, limousines, jitneys, or any other for-hire passenger transportation vehicles may prove financial responsibility by furnishing satisfactory evidence of holding a motor vehicle liability policy, but with minimum limits of \$125,000/250,000/50,000.

Fla. Stat. § 324.032(1)(a) (emphasis added). By listing taxicabs and limousines in the provision, a "for-hire passenger transportation vehicle" is implicitly defined as a vehicles operated by a person other than the consumer of the transportation services. Therefore it does not appear that they are applicable to RelayRides owners.

Note, however, that short-term (less than one year) lessors are deemed to be "owners" for vicarious liability purposes under Fla. Stat. § 324.021(9)(b)2., and that the same statute limits 3rd party liability to \$100K/\$300K/\$50K. One would also presume (although we have not verified) that the same type of commercial use personal insurance policy exclusion discussed in our Uber/ Lyft memorandum would apply to RelayRides rentals.

Similar to Uber and Lyft RelayRides appears to carry a \$1,000,000 liability insurance (surplus lines) policy that protects renters against claims from third parties for injuries and property damage. See <https://support.relayrides.com/hc/en-us/articles/203990610-I-d-like-a-detailed-explanation-of-insurance-and-protection-provisions>.