

HOUSE REPUBLICAN STAFF ANALYSIS

Bill:	House File 2497	House Committee:	PASSED 2/10/26 (22-0)
Committee:	Commerce	House Floor:	PASSED 3/3/26 (94-0)
Floor Manager:	Rep. Jacob Bossman	Senate Floor:	PASSED 3/4/26 (44-1)
Date:	March 3, 2026	Governor:	SIGNED 4/9/26
Staff:	Natalie Ginty (281-7479)		

Car Sharing

- This bill sets up the insurance and liability framework for peer-to-peer car sharing programs under an agreement between a shared vehicle owner and a shared vehicle driver.

Section by Section Analysis

Sections 1 (Iowa Code 537C.1) – New Section

Titles the chapter the “peer-to-peer car sharing program act”.

Section 2 (Iowa Code 537C.2) – New Section

Defines “car sharing”, “car sharing delivery period”, “car sharing start time”, “car sharing termination time”, “peer-to-peer car sharing program”, “Program agreement”, “shared vehicle”, “shared vehicle driver”, “shared vehicle owner”, and “vehicle”.

Section 3 (Iowa Code 537C.3) – New Section

The program assumes liability for a shared vehicle owner for all bodily injuries or property damage during a car sharing period at the liability amounts in the program agreement but not less than the state minimums. The program does not assume the liability if the owner makes an intentional/fraudulent misrepresentation or doesn’t return the vehicle within the terms of the agreement.

Section 4 (Iowa Code 537C.4) – New Section

Requires the program to ensure that both the owner and driver of the shared vehicle are insured at least to state law minimums. If the vehicle is involved in an accident in a state with higher minimums, the policy shall cover those higher minimums. The insurer or the program shall provide for coverage if there is a dispute on who was in control of the shared vehicle or if it was during the car sharing period. The program has an insurable interest in the shared vehicle during the car sharing period. Allows the program to seek indemnification for a contract violation.

Section 5 (Iowa Code 537C.5) – New Section

Allows motor vehicle policies to exclude coverage for a shared vehicle owner for claims arising out of participation in the program.

Section 6 (Iowa Code 537C.6) – New Section

Allows the insurance carrier of the vehicle owner to seek recovery from the program’s liability policy.

Section 7 (Iowa Code 537C.7) – New Section

The program is responsible for all equipment to monitor the vehicle and facilitate car sharing.

Section 8 (Iowa Code 537C.8) – New Section

Program agreements must include the following disclosures:

- The owner and the driver's car insurance does not provide a defense or indemnification for a claim under the program.
- The program can seek indemnification from the owner or driver for a breach of the contract.
- The program does not cover outside of the car sharing period
- The shared vehicle owner's insurance may not provide coverage for the vehicle
- Emergency telephone number
- Daily rate, fees and any costs for insurance

Section 9 (537C.9) – New Section

Only allows programs to have a program agreement with individuals in Iowa who have a driver's license or nonresidents with insurance coverage at the state minimums.

The program shall keep records of all name and addresses for each driver and license numbers.

Section 10 (Iowa Code 537C.10) – New Section

The program must verify that the vehicle has no recalls prior to registering the vehicle with the program. The owner must also make all repairs if a recall is made prior to using the vehicle by the program.

Section 11 (Iowa Code 537C.11) – New Section

Any vehicle liens must notify the program and may violate the contract with the lienholder.

Section 12 (Iowa Code 537C.12) – New Section

The program must keep records of all dates and times that the vehicle is being shared under the agreement, location at start and end time, all fees and revenues.