SENATE COMMITTEE ON INSURANCE

Senator Stephen Padilla, Chair

2025 - 2026 Regular

Bill No:	AB 2361	**Hearing Date:**	June 24, 2026
Author:	Pacheco		
Version:	June 18, 2026 Amended		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Brandon Seto		

SUBJECT: Insurance: personal vehicle sharing

DIGEST: This bill, revises the liability of a Personal Vehicle Sharing Program (PVSP) from unlimited liability to liability for bodily injury or property damage to injured third parties resulting from personal vehicle sharing in the amounts stated in the PVSP agreement, and not less than $250,000 for bodily injury or death for one person, $500,000 for bodily injury or death for all persons, and $100,000 for property damage. Makes these provisions inapplicable if the vehicle owner acts in concert with a shared vehicle driver who fails to return the shared vehicle pursuant to the terms of the PVSP agreement.

ANALYSIS:

Existing law:

1) Requires a PVSP to assume all liability of the owner and be considered the owner of the vehicle for all purposes.

2) Defines “personal vehicle sharing” as the use of private passenger motor vehicles by a person other than the vehicle’s owner, in connection with a PVSP.

3) Defines “personal vehicle sharing program” as a legal entity qualified to do business in the state of California engaged in the business of facilitating the sharing of private passenger vehicles for noncommercial use of individuals within the state.

4) Requires a “personal vehicle sharing program” to provide insurance coverages for the vehicle and operator at a minimum of forty-five thousand dollars ($45,000) for bodily injury or death for one person, ninety thousand dollars ($90,000) for bodily injury or death for all persons, and fifteen thousand dollars ($15,000) for property damage.

5) Requires, on and after January 1, 2031, that the PVSP shall not provide liability coverage less than three times the minimum insurance requirements for private passenger vehicles.

6) Requires most drivers to purchase auto insurance with minimum limits of coverage, of $30,000 for liability resulting in bodily injury or death of one person, $60,000 for liability resulting in bodily injury or death to more than one person, and $15,000 for liability resulting from property damage.

This bill:

1) Reduces the liability of PVSPs from unlimited liability to liability for bodily injury or property damage to injured third parties resulting from personal vehicle sharing in the

amounts stated in the PVSP agreement, and not less than $250,000 for bodily injury or death for one person, $500,000 for bodily injury or death for all persons, and $100,000 for property damage.

2) Renders the above provisions inapplicable if the vehicle owner acts in concert with a shared vehicle driver who fails to return the shared vehicle pursuant to the terms of the PVSP agreement.

3) Specifies that nothing in this bill's provisions limits the liability of the PVSP for its acts or omissions that result in injury to anyone due to the use or operation of a PVSP.

Background

According to the author:

"AB 2361 modernizes California's treatment of vicarious liability for peer-to-peer vehicle sharing platforms (PVSPs) by aligning liability with fault while preserving strong protections for consumers and injured parties.

California is currently the only state that subjects personal vehicle sharing platforms to uncapped vicarious liability. Under existing law, a PVSP must assume a vehicle owner's legal responsibility for claims arising during a vehicle-sharing transaction, with no limit on liability exposure, even when the platform complied with all legal requirements, acted in good faith, and had no ability to prevent the incident.

AB 2361 preserves consumer protections while addressing this unique and inequitable liability structure. The bill maintains existing insurance requirements and ensures that minimum insurance coverage remains available, including access to additional coverage where applicable. At the same time, it establishes reasonable limits on a platform's vicarious liability exposure and clarifies that a PVSP is responsible only for owner liabilities arising from the sharing of the vehicle.

As amended, the bill reflects a compromise reached with stakeholders. Specifically, the bill:

Clarifies that a PVSP must assume owner liability only for bodily injury and property damage resulting from the vehicle-sharing transaction, eliminating ambiguity that could otherwise expose platforms to liability unrelated to car sharing.

Establishes reasonable limits on the vicarious liability a PVSP must assume on behalf of an at-fault vehicle owner: $250,000 for bodily injury or death of one person, $500,000 for bodily injury or death of all persons, and $100,000 for property damage.

Importantly, AB 2361 does not reduce the total damages recoverable from an at-fault party, does not limit a PVSP's liability for its own negligent or wrongful conduct, and does not reduce existing insurance requirements, which remain higher than those applicable to traditional rental vehicles or personal automobiles.

California is home to innovative transportation businesses that provide consumers with affordable mobility options while creating jobs and economic opportunity. AB 2361 preserves these benefits while ensuring that liability remains tied to fault and that strong consumer protections remain in place."

Related/Prior Legislation

AB 2743 (Pacheco, Chapter 244, Statutes of 2024). Updated the insurance coverage limits for a PVSP when the vehicle is engaged in personal vehicle sharing.

AB 1095 (Low, 2023). Would have deleted the insurance coverage requirement for a PVSP and instead required a PVSP, when a vehicle is engaged in personal vehicle sharing to provide liability insurance coverage of the same minimum coverage that applies to an owner or operator of a motor vehicle. *Died in Assembly Insurance Committee.*

AB 3041 (Low, 2020). Would have made changes to PVSP insurance coverage requirements. *Not heard in Assembly Privacy and Consumer Protection Committee*.

AB 1871 (Jones, Chapter 454, Statutes of 2010). Authorized private passenger motor vehicle owners to make their vehicle available for use by a PVSP without impacting owners' private passenger automobile insurance policy.

ARGUMENTS IN SUPPORT:

According to Turo, sponsor of the bill:

"Today, no other state applies uncapped vicarious liability to PVSPs. This bill maintains strong consumer protections by requiring that minimum insurance coverage always remains available – including access to additional coverage – while eliminating California's unchecked vicarious liability exposure that only applies to car-sharing platforms.

Under current law, PVSPs are subject to a distinct and more expansive form of vicarious liability. Pursuant to Insurance Code Section 11580.24(d), a car-sharing platform must assume the vehicle owner's legal responsibility for any claims that arise while a car is being shared. Unlike individual vehicle owners, whose liability is capped under Vehicle Code Section 17151, a platform's liability is unlimited. As a result, a PVSP can face unlimited financial exposure even when it followed the law, acted in good faith, and had no ability to prevent an incident.

The bill, as amended, is a compromise that was reached to address the opposition's concerns and does the following:

First, it clarifies the types of damages that PVSP must assume on behalf of the vehicle owner. Ins 11580.24(d) is a vicarious liability statute. It does not clearly specify that the PVSP must assume only those owner liabilities that arise out of sharing the vehicle. That leaves untenable ambiguity that could result in the platform being held responsible for damages wholly unrelated to car sharing. For that reason, the bill removes the word "all" and specifies that the platform is responsible for owner liabilities for bodily injury and property damage that result from car sharing.

Second, the bill limits the dollar amount that the PVSP must assume from an at-fault vehicle owner. Currently, the PVSP is required to assume all liability of the owner. E.g., existing law requires the PVSP to assume all liability for an owner's negligent entrustment. This bill would limit that vicarious liability to the amounts $250K for bodily injury or death of one person, $500K for bodily injury or death of all persons, and $100K for property damage. There is no reduction in the amount of damages that can be recovered from the at-fault party.

The bill does not reduce the total recoverable damages, nor does it eliminate or reduce a PVSP's liability for its own tortious conduct, nor does it reduce the insurance requirements for PVSPs (which remain above those required of car rentals or personal vehicles). This bill ensures continued consumer protection by requiring that minimum insurance coverage always remains available while eliminating California's unchecked vicarious liability exposure that applies only to PVSPs. We are pleased to have reached an agreement with stakeholders and appreciate the effort by many to get to this point."

ARGUMENTS IN OPPOSITION:

None received.

SUPPORT:

Turo (Sponsor)
Bright Inspect
Brightline Defense
Brightline Defense Project
Civil Justice Association of California
Community Members for AB 2361
Florence Firestone Merchants Association
Nissan North America
Relay Rides D.b.a. Turo
Streets Are for Everyone
Streets for All
Tint Technologies, INC.
Tunua Thrash-ntuk, Councilwoman, Eighth District, City of Long Beach
42 Turo Employees
1,132 Individuals

OPPOSITION:

None.

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