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**SENATE RESEARCH OFFICE**

 **2015 Session April 2, 2015**

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| **Bill:**  HB 190 | **Sponsor:**  Representative Golick of the 40th  |
| **Version:** HB 190/SCSFA/2 | **Amends:**  Title 33 |
| **Status:**  As Passed – Final Version | **Committee:** Insurance and Labor |

**Rideshare – Mandatory Insurance Coverage**

**SUMMARY**

* Requires all Transportation Network Company (TNC)[[1]](#footnote-1) drivers to maintain minimum motor vehicle liability insurance coverage.

**ANALYSIS**

This legislation requires TNCs to maintain a primary motor vehicle insurance policy that:

1. Recognizes the driver as a TNC driver and explicitly covers the driver's provision of TNC services;[[2]](#footnote-2)
2. Provides a minimum of $100,000 for bodily injuries to, or death of, all persons in any one accident; with a maximum of $50,000 for bodily injuries to or death of one person; and $50,000 for loss of or damage to property of others, excluding cargo, in any one accident, during the time a driver is logged on to the TNC’s digital network and available to accept a ride request until the driver is logged off. This coverage is required in the absence of any other liability coverage with such minimum limits; and
3. Provides a minimum of $1 million for death, personal injury, and property damage per occurrence and provides uninsured and underinsured motorist coverage of at least $1 million per incident during the time a driver accepts a ride request on the TNC’s digital network until the driver completes the transaction or the ride is complete, whichever is later.

This legislation authorizes personal vehicle insurance policies to exclude coverage for any loss or injury that occurs while a driver is logged on to a TNC’s digital network or while providing TNC services. However, insurers may offer a personal policy, amendment, or an endorsement that covers a driver’s vehicle while being used for TNC services. The insurance requirements may be satisfied by either a commercial motor vehicle insurance coverage purchased by the TNC or by the driver. The requirement may also be satisfied by a rider to the driver's liability policy which may be combined with an excess policy provided by the TNC but a driver's policy will not provide any coverage to the driver or any third party, unless the policy expressly provides for such coverage.

A TNC that purchases the policy must provide the policy to the Insurance Commissioner. If purchased by the driver, then the driver submits verification to the TNC. The TNC must provide coverage anytime the insurance maintained by a driver has lapsed. TNC drivers must notify their vehicle’s lienholder, if one exists.

When a TNC is providing primary insurance coverage, its insurer must assume the costs of defense and indemnification. Additionally, the TNC will have the duty to defend and indemnify the TNC driver and the TNC driver's insurer when they are named as a defendant. TNC coverage may not be dependent on a personal vehicle insurer first denying a claim nor may a personal policy be required to first deny a claim. The TNC must notify the TNC driver and the TNC driver's insurer of any dispute within 25 business days of receiving notice of the accident.

This legislation goes into effect on January 1, 2016.

**Analyst: Alex Azarian**

**House Vote: 141-26**

1. “Transportation Network Company” or “TNC” means a corporation, partnership, sole proprietorship, or other entity, such as Uber or Lyft, that uses a digital network or other means to connect customers to TNC company drivers for the purposes of providing transportation for compensation including, but not limited to, payment, donation, or other item of value. The term does not include emergency or nonemergency medical transports. [↑](#footnote-ref-1)
2. “Transportation network company services” or “services” means: (A) The period of time a driver is logged on to the TNC's digital network and available to accept a ride request until the driver is logged off; and (B) The period of time a driver accepts a ride request on the transportation network company's digital network until the driver completes the transaction or the ride is complete, whichever is later. [↑](#footnote-ref-2)