An Act To Establish Transportation Network Company Insurance

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

Presented by Representative BECK of Waterville.
Cosponsored by Representative: McLEAN of Gorham.
Be it enacted by the People of the State of Maine as follows:

Sec. 1. 24-A MRSA c. 93 is enacted to read:

CHAPTER 93

TRANSPORTATION NETWORK COMPANY INSURANCE

§7301. Short title

This chapter may be known and cited as "the Transportation Network Company Insurance Act."

§7302. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Digital network. "Digital network" means any online-enabled application, software, website or system offered or used by a transportation network company that enables the provision of prearranged rides by transportation network company drivers.

2. Personal vehicle. "Personal vehicle" means a vehicle that:
   A. Is used by a transportation network company driver;
   B. Is owned, leased or otherwise authorized for use by the transportation network company driver; and
   C. Is not a taxicab, as defined in Title 29-A, section 101, subsection 79, a limousine, as defined in Title 29-A, section 101, subsection 32 or for-hire transportation as defined in Title 29-A, section 101, subsection 25.

3. Prearranged ride. "Prearranged ride" means transportation provided by a transportation network company driver to a transportation network company rider, beginning when the driver accepts a transportation request through a digital network and ending when the rider departs from the driver's personal vehicle. "Prearranged ride" does not include transportation provided using a taxi, limousine or other for-hire vehicle.

4. Transportation network company. "Transportation network company" means a corporation, partnership, sole proprietorship or other entity that is licensed pursuant to this chapter and is operating in the State and that uses a digital network to connect transportation network company riders to transportation network company drivers who provide prearranged rides.

5. Transportation network company driver; driver. "Transportation network company driver" or "driver" means an individual who:
   A. Receives information regarding potential passengers and related services from a transportation network company in exchange for payment of a fee to the transportation network company; and
B. Uses a personal vehicle to offer or provide prearranged rides to a transportation network company rider in return for compensation or payment of a fee.

6. Transportation network company rider. "Transportation network company rider" or "rider" means an individual or person who uses a transportation network company's digital network to connect with a transportation network company driver for a ride between locations chosen by the rider.

§7303. Control by transportation network company

A transportation network company is not deemed to control, direct or manage the transportation network company drivers that connect to the transportation network company's digital network, or the drivers' personal vehicles, except as expressly provided in a written contract between the driver and the transportation network company.

§7304. Financial responsibility

1. Insurance coverage required. Beginning October 1, 2015, a transportation network company driver or a transportation network company on the driver's behalf shall maintain primary automobile liability insurance that recognizes that the driver is a transportation network company driver or otherwise uses a vehicle to transport passengers for compensation and that covers the driver in accordance with this section.

2. Minimum insurance requirements for driver while on digital network. A transportation network company driver must have primary automobile liability insurance that provides coverage while the driver is logged on to the transportation network company digital network but is not engaged in a prearranged ride in amounts that are no less than set forth in paragraph A or paragraph B, whichever is higher:

   A. For death and bodily injury, $50,000 per person; for death and bodily injury per incident, $100,000; and for property damage, $25,000; or

   B. The minimum amounts of insurance coverage required under Title 29-A, section 1605, and uninsured vehicle and underinsured motor vehicle coverage required pursuant to section 2902.

The coverage requirements of this subsection may be satisfied by automobile insurance maintained by the transportation network company driver, automobile insurance maintained by the transportation network company, or a combination of automobile insurance maintained by the transportation network company driver and the transportation network company.

3. Minimum insurance requirements while engaged in prearranged ride. A transportation network company driver must have primary automobile liability insurance that provides coverage while the driver is engaged in a prearranged ride in amounts that are no less than set forth in paragraph A or paragraph B, whichever is higher:

   A. For death, bodily injury and property damage, $1,000,000; or

   B. The minimum amounts of insurance coverage required under Title 29-A, section 1605, and uninsured vehicle and underinsured motor vehicle coverage required pursuant to section 2902.
The coverage requirements of this subsection may be satisfied by automobile insurance maintained by the transportation network company driver, automobile insurance maintained by the transportation network company or a combination of automobile insurance maintained by the transportation network company driver and the transportation network company.

4. Lapse of coverage; duty to defend. When automobile insurance maintained by a transportation network company driver to fulfill the insurance obligations of this section has lapsed or ceased to exist, the transportation network company shall provide the coverage required by this section beginning with the 1st dollar of a claim, and the transportation network company has a duty to defend the claim.

5. Coverage not dependent on denial of claim. Coverage under an automobile insurance policy maintained by a transportation network company may not be dependent on the denial of the claim under a personal automobile insurance policy.

6. Insurer. Insurance required by this section may be placed with an insurer that is licensed under the provisions of this Title or is authorized as a surplus lines insurer pursuant to chapter 19.

7. Satisfaction of financial responsibility requirements. Insurance satisfying the requirements of this section is deemed to satisfy the financial responsibility requirement for a motor vehicle set forth in section 2902 and Title 29-A, section 1605.

8. Evidence of coverage for transportation network company insurance. A transportation network company driver shall carry at all times evidence of coverage satisfying subsections 1 and 2 during the driver's use of a vehicle in connection with a transportation network company's digital network. A transportation network company driver shall provide evidence of insurance coverage to a law enforcement officer upon request and, in the event of an accident, a transportation network company driver shall provide insurance coverage information to the directly interested parties, automobile insurers and investigating police officers, upon request pursuant to Title 29-A, section 1601. Upon request, a transportation network company driver shall also disclose to directly interested parties, automobile insurers and investigating police officers whether the driver was logged on to the transportation network company's digital network or engaged in a prearranged ride at the time of an accident.

§7305. Disclosure

Before a transportation network company driver may accept a request for a prearranged ride through the transportation network company's digital network, the transportation network company shall disclose in writing to the driver:

1. Coverage provided. The insurance coverage, including the types of coverage and the limits for each coverage, that the transportation network company provides while the transportation network company driver uses a personal vehicle in connection with a transportation network company's digital network; and

2. Personal policy may not cover. That the transportation network company driver's own automobile insurance policy, depending on the policy's terms, might not
provide any coverage while the driver is logged on to the transportation network
company's digital network and is available to receive transportation requests, or while the
driver is engaged in a prearranged ride.

§7306. Automobile insurance provisions

1. Exclude coverage. Notwithstanding section 2902 or Title 29-A, section 1605, an
insurer that writes automobile insurance in this State may exclude coverage afforded
under the policy issued to an owner or operator of a personal vehicle for any loss or
injury that occurs while a driver is logged on to a transportation network company's
digital network or while a driver is engaged in a prearranged ride. The authority to
exclude coverage applies to any coverage included in an automobile insurance policy
including, but not limited to:

A. Liability coverage for bodily injury and property damage;
B. Uninsured vehicle and underinsured motor vehicle coverage;
C. Medical payments coverage;
D. Comprehensive physical damage coverage; and
E. Collision physical damage coverage.

Nothing in this section requires that a personal automobile insurance policy provide
coverage while the driver is logged on to the transportation network company's digital
network, the driver is engaged in a prearranged ride or the driver otherwise uses a vehicle
to transport passengers for compensation.

Nothing in this section may be construed to preclude an insurer from entering into a
contract to provide coverage for a transportation network company driver's personal
vehicle.

2. No duty to indemnify. If an insurer has excluded coverage described in section
7304, the insurer has no duty to defend or indemnify any claim expressly excluded.
Nothing in this chapter may be construed to invalidate or limit an exclusion contained in
a policy, including any policy in use or approved for use in this State prior to the
enactment of this chapter, that excludes coverage for vehicles used to carry persons or
property for a charge or available for hire by the public.

3. Right of contribution. An automobile insurer that defends or indemnifies a claim
against a driver that is excluded under the terms of its policy has a right of contribution
against other insurers that provide automobile insurance to the same driver in satisfaction
of the coverage requirements of section 7304 at the time of loss.

4. Cooperation. In a claims coverage investigation, a transportation network
company and any insurer potentially providing coverage under section 7304 shall
cooperate to facilitate the exchange of relevant information with directly involved parties
and any insurer of the transportation network company driver if applicable, including but
not limited to:

A. The precise times that a transportation network company driver logged on to and
off of the transportation network company's digital network in the 12-hour period
immediately preceding and in the 12-hour period immediately following the accident;
and

B. A clear description of the coverage, exclusions and limits provided under any
automobile insurance maintained under this chapter.

SUMMARY

This bill establishes requirements for insurance coverage relating to the operation of
transportation network companies in the State, which are companies that provide
prearranged transportation services for compensation using a digital network to connect a
passenger with a driver using a personal vehicle.