

House Bill 2995

Sponsored by Representative DOHERTY; Representatives FAGAN, FREDERICK, HELM, HUFFMAN, KOMP, MCLAIN, OLSON, TAYLOR

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires transportation network company to maintain insurance policy to cover private passenger motor vehicle when vehicle's registered owner or designated operator actively participates as driver with transportation network company.

A BILL FOR AN ACT

1
2 Relating to insurance coverage for motor vehicles used in connection with transportation network
3 companies; creating new provisions; and amending ORS 742.585 and 742.595.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 742.585 is amended to read:

6 742.585. As used in ORS 742.585 to 742.600:

7 (1) **"Actively participating as a driver with a transportation network company" means**
8 **providing, or agreeing to be available to provide, for-hire transportation service to a pas-**
9 **senger that requests a transportation service by means of a transportation network**
10 **company's mobile application software.**

11 (2) **"Company insurance policy" means a motor vehicle liability insurance policy that a**
12 **transportation network company obtains for a motor vehicle owner that is actively partic-**
13 **ipating as a driver with the transportation network company and that:**

14 (a) **Includes all coverage necessary to comply with the financial or future responsibility**
15 **requirements of ORS chapter 806;**

16 (b) **Includes the personal injury protection coverage required under ORS 742.518 to**
17 **742.542, notwithstanding any exception to the requirement to obtain personal injury pro-**
18 **tection that results from the definition of private passenger motor vehicle set forth in ORS**
19 **742.518;**

20 (c) **Includes the uninsured motorist coverage required under ORS 742.500 to 742.506;**

21 (d) **Includes comprehensive property damage coverage for the vehicle;**

22 (e) **Includes collision property damage coverage for the vehicle; and**

23 (f) **Does not include any other optional coverage that the owner of the vehicle selects and**
24 **includes in the owner's insurance policy.**

25 *[(1)]* (3) **"Owner's insurance policy" means a private passenger motor vehicle liability insurance**
26 **policy that includes:**

27 (a) **All coverage necessary to comply with the financial or future responsibility requirements of**
28 **ORS chapter 806;**

29 (b) **The personal injury protection coverage required under ORS 742.518 to 742.542;**

30 (c) **The uninsured motorist coverage required under ORS 742.500 to 742.506; and**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

(d) Any optional coverage selected by the owner.

[(2)] (4) “Personal vehicle sharing” means the use of a private passenger motor vehicle by persons other than the vehicle’s registered owner in connection with a personal vehicle sharing program.

[(3)] (5) “Personal vehicle sharing program” means a legal entity **that is** qualified to do business in this state **and that is** engaged in the business of facilitating the sharing of private passenger motor vehicles for noncommercial use by individuals within this state.

[(4)] (6) “Private passenger motor vehicle” means a four-wheel passenger or station wagon type motor vehicle insured under a motor vehicle liability insurance policy [covering] **that covers** a single individual or individuals [residing] **that reside** in the same household as the named insured.

[(5)] (7) “Program insurance policy” means a motor vehicle liability insurance policy that [is obtained by the] **a** personal vehicle sharing program **obtains** and that:

- (a) Includes all coverage needed to comply with the financial or future responsibility requirements of ORS chapter 806;
- (b) Includes the personal injury protection coverage required under ORS 742.518 to 742.542;
- (c) Includes the uninsured motorist coverage required under ORS 742.500 to 742.506;
- (d) Includes comprehensive property damage coverage for the vehicle;
- (e) Includes collision property damage coverage for the vehicle; and
- (f) Does not include any other optional coverage [selected by] **that** the owner of the vehicle **selects** and [included] **includes** in the owner’s insurance policy.

(8)(a) **“Transportation network company” means a legal entity that is qualified to do business in this state and that is engaged in the business of providing for-hire transportation service by means of mobile application software through which passengers may request transportation service from drivers who operate private passenger motor vehicles to provide the transportation that passengers request.**

(b) **“Transportation network company” does not include a legal entity that is qualified to do business in this state and that:**

- (A) **Provides taxicab services;**
- (B) **Engages in the business of providing transportation along fixed routes or at regular intervals; or**
- (C) **Engages in the business of providing for-hire transportation service using motor vehicles that the entity owns, operates or otherwise controls.**

SECTION 2. Section 3 of this 2015 Act is added to and made a part of ORS 742.585 to 742.600.

SECTION 3. (1)(a) **A transportation network company shall purchase a company insurance policy that covers each private passenger motor vehicle that the motor vehicle’s registered owner or a designated operator controls or operates while actively participating as a driver with the transportation network company. The limits for any coverage included in the company insurance policy that is also included in the owner’s insurance policy must be equal to or greater than the coverage limits provided in the owner’s insurance policy. The transportation network company shall require the vehicle owner to report the owner’s motor vehicle liability coverage to the transportation network company before engaging the owner or designated operator as a driver with the transportation network company. The transportation network company may not provide liability coverage that is less than three times the limits specified in ORS 806.070.**

(b) A company insurance policy described in paragraph (a) of this subsection must:

(A) Name the motor vehicle owner as an insured; and

(B) Insure the motor vehicle owner's insurable interest in each motor vehicle that the motor vehicle owner or a designated operator controls or operates while actively participating as a driver with the transportation network company.

(2) For each private passenger motor vehicle that a company insurance policy described in subsection (1) of this section covers, the transportation network company shall:

(a) Provide the private passenger motor vehicle's registered owner with proof of compliance with the insurance requirements of this section and the financial or future responsibility requirements of ORS chapter 806, a copy of which the vehicle owner must maintain in the vehicle at all times when the owner or a designated operator controls or operates the vehicle while actively participating as a driver with the transportation network company.

(b) Collect, maintain and make available at the transportation network company's expense to the private passenger motor vehicle's registered owner, to the insurer that issues the primary motor vehicle liability policy for the vehicle's registered owner and to any government agency as required by law:

(A) Verifiable electronic records that identify the date and time, initial and final locations of the vehicle and miles that an operator drives during each trip in which a person other than the vehicle's registered owner controls or operates the vehicle while actively participating as a driver with the transportation network company; and

(B) Any information concerning damages or injuries that arise out of the vehicle owner or designated operator actively participating as a driver with the transportation network company.

(3) For each private passenger motor vehicle that a vehicle owner or designated operator controls or operates while actively participating as a driver with a transportation network company, the transportation network company shall:

(a) Ensure that the vehicle is a private passenger motor vehicle.

(b) Provide a disclosure that explains the requirements of this section to the vehicle's registered owner and any person that controls or operates the vehicle while actively participating as a driver with the transportation network company. The transportation network company shall obtain a signature or other affirmative acknowledgment from the vehicle's registered owner or designated operator before engaging the vehicle's registered owner or designated operator as a driver with the transportation network company.

SECTION 4. ORS 742.595 is amended to read:

742.595. (1) Notwithstanding any provision in the owner's insurance policy and notwithstanding ORS chapters 742, 806, 822 and 825 and ORS 30.010 to 30.100, 30.135, 30.480 and 30.485, *[in the event of any]* if a loss or injury *[that]* occurs at any time when *[the vehicle is under the operation and control of]* a person, other than the vehicle's registered owner, *[pursuant to]* **operates or controls the vehicle while participating in** a personal vehicle sharing program, *[or]* **when the vehicle** is otherwise under the control of a personal vehicle sharing program^[,] **or when the vehicle owner or a designated operator controls or operates the vehicle while actively participating as a driver with a transportation network company**, the program **or company** shall assume all liability of the vehicle owner and *[shall be considered]* **is** the vehicle owner for all purposes.

(2) *[Nothing in]* Subsection (1) of this section **does not limit**:

(a) *[Limits]* The liability of a personal vehicle sharing program **or transportation network**

1 **company** for any acts or omissions by the program **or company** that result in injury to any persons
 2 as a result of the use or operation of the program **or company**; or

3 (b) [*Limits*] The ability of the personal vehicle sharing program **or transportation network**
 4 **company** to, by contract, seek indemnification from the vehicle's registered owner for any claims
 5 [*paid by*] the personal vehicle sharing program **or transportation network company** pays for any
 6 loss or injury resulting from **the vehicle owner's** fraud or material misrepresentation in [*the main-*
 7 *tenance of*] **maintaining** the vehicle [*by the vehicle's registered owner*].

8 (3) A personal vehicle sharing program [*continues to be*] **is** liable under subsection (1) of this
 9 section until:

10 (a) The vehicle is returned to a location [*designated by*] **that** the program **designates**; and

11 (b)(A) The expiration of the time period established for the vehicle occurs;

12 (B) The intent to terminate the vehicle's personal vehicle sharing use is verifiably communicated
 13 to the program; or

14 (C) The vehicle's registered owner takes possession and control of the vehicle.

15 (4) **A transportation network company is liable under subsection (1) of this section for**
 16 **as long as the vehicle owner or a designated operator is actively participating as a driver**
 17 **with the transportation network company.**

18 [(4)(a)] (5)(a) A personal vehicle sharing program **or transportation network company** shall
 19 assume liability for a claim in which a dispute exists as to who [*was in control of*] **controlled** a
 20 private passenger motor vehicle when the loss [*giving*] **that gave** rise to the claim occurred.

21 (b) The insurer of the vehicle shall indemnify the **personal vehicle sharing** program **or**
 22 **transportation network company** to the extent of the insurer's obligation under the owner's in-
 23 surance policy, if [*it is determined that*] the vehicle's registered owner [*was in control of*] **controlled**
 24 the vehicle at the time of the loss.

25 [(5)] (6) If a private passenger motor vehicle's registered owner is named as a defendant in a
 26 civil action for any loss or injury that occurs at any time when [*the vehicle is under the operation*
 27 *and control of*] a person[,] other than the vehicle's registered owner[, *pursuant to*] **controls or op-**
 28 **erates the vehicle while participating in** a personal vehicle sharing program, [*or*] **when the ve-**
 29 **hicle** is otherwise under the control of a personal vehicle sharing program[,] **or when the vehicle's**
 30 **registered owner or a designated operator controls or operates the vehicle while actively**
 31 **participating as a driver with a transportation network company**, the program **or company**
 32 [*shall have*] **has** the duty to defend and indemnify the vehicle's registered owner.

33 [(6)] (7) Notwithstanding any provision in the owner's insurance policy, while [*the vehicle is un-*
 34 *der the operation and control of*] a person[,] other than the vehicle's registered owner[, *pursuant to*]
 35 **controls or operates the vehicle while participating in** a personal vehicle sharing program, [*or*]
 36 **the vehicle** is otherwise under the control of a personal vehicle sharing program **or the vehicle's**
 37 **registered owner or a designated operator controls or operates the vehicle while actively**
 38 **participating as a driver with a transportation network company:**

39 (a) The insurer of the vehicle on file with the Department of Transportation may exclude any
 40 and all coverage afforded under the insurer's policy; and

41 (b) A primary or excess insurer of the owners, operators or maintainers of the vehicle may no-
 42 tify an insured that the insurer [*has no*] **does not have** a duty to defend or indemnify any person
 43 or organization for liability for any loss that occurs [*during use of the vehicle pursuant to*] **when a**
 44 **person other than the vehicle's registered owner controls or operates the vehicle while par-**
 45 **ticipating in** a personal vehicle sharing program, **the vehicle is otherwise under the control of**

1 **a personal vehicle sharing program or the vehicle's registered owner or a designated opera-**
2 **tor controls or operates the vehicle while actively participating as a driver with a transpor-**
3 **tation network company.**

4 [(7)] (8) An owner's insurance policy for a private passenger motor vehicle may not be canceled,
5 voided, terminated, rescinded or nonrenewed solely on the basis that the vehicle has been made
6 available for personal vehicle sharing pursuant to a personal vehicle sharing program **or that the**
7 **vehicle's registered owner has made the vehicle available for the vehicle owner or a desig-**
8 **ated operator to use while actively participating as a driver with a transportation network**
9 **company** that is in compliance with the provisions of ORS 742.585 to 742.600.

10 **SECTION 5. Section 3 of this 2015 Act and the amendments to ORS 742.585 and 742.595**
11 **by sections 1 and 4 of this 2015 Act apply to policies entered into, renewed or modified on**
12 **or after the effective date of this 2015 Act.**