

House Bill 3045

Sponsored by Representative MALSTROM (at the request of Radio Cab Company)

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 make certain disclosures to participating drivers. Specifies automobile insurance coverage requirements for participating drivers. Permits insurers to exclude coverage for activities in which individual engages as participating driver.

Permits Director of Department of Consumer and Business Services to impose civil penalty on transportation network company or participating driver who fails to maintain required automobile insurance policy or fails to comply with other provisions of Act.

A BILL FOR AN ACT

1
2 Relating to insurance requirements for participating drivers associated with transportation network
3 companies.

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

5 **SECTION 1. As used in sections 1 to 4 of this 2017 Act:**

6 (1) **"Digital network" means a method for requesting a prearranged ride from a partic-**
7 **ipating driver using a software application, a website or another Internet-based electronic**
8 **technology that a transportation network company provides.**

9 (2) **"Participating driver" means an individual who:**

10 (a) **Receives a request through a digital network from a rider for a prearranged ride; and**

11 (b) **Offers or provides a prearranged ride to a rider in exchange for a fee that the rider**
12 **pays.**

13 (3)(a) **"Personal vehicle" means a vehicle that a participating driver:**

14 (A) **Owns, leases or otherwise has authorization to use; and**

15 (B) **Actually uses to offer or provide prearranged rides to riders.**

16 (b) **"Personal vehicle" does not include:**

17 (A) **A taxicab, limousine or other vehicle for hire that is subject to regulation by a city**
18 **or county under ORS 221.495 and other applicable state statutes or administrative rules or**
19 **city or county ordinances, resolutions or other measures; or**

20 (B) **A commercial vehicle, as defined in ORS 826.001, that the Department of Transpor-**
21 **tation registers, licenses or regulates under provisions of law other than sections 1 to 4 of**
22 **this 2017 Act or rules the Director of the Department of Consumer and Business Services**
23 **adopts under sections 1 to 4 of this 2017 Act.**

24 (4) **"Prearranged ride" means transportation that a rider requests from a participating**
25 **driver by means of a digital network that:**

26 (a) **Begins at the time a participating driver accepts a rider's request for transportation;**

27 (b) **Continues at any time during which the participating driver transports the rider and**
28 **any other individual for whom the rider also requests transportation; and**

29 (c) **Ends at a destination chosen by the rider or any other individual for whom the rider**

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.

1 also requests transportation and at the time that the rider, or the last individual for whom
2 the rider requests transportation, exits the participating driver's personal vehicle.

3 (5) "Rider" means an individual who uses a digital network to request a prearranged ride
4 from a participating driver.

5 (6) "Transportation network company" means a corporation, association, partnership,
6 limited liability company, limited liability partnership or other legal entity that operates a
7 digital network in this state by means of which a participating driver receives a request from
8 a rider for a prearranged ride.

9 **SECTION 2.** (1) A transportation network company shall:

10 (a) Require a participating driver, while providing a prearranged ride, to use a personal
11 vehicle that meets all applicable safety and emissions standards for motor vehicles in the
12 jurisdiction in which the personal vehicle is registered.

13 (b) Provide in writing to a participating driver, before permitting the participating driver
14 to obtain a request for a prearranged ride, a statement that:

15 (A) Specifies the type, amount, limits and exclusions and any other relevant information
16 for any automobile insurance coverage the transportation network company provides to the
17 participating driver while the participating driver uses a personal vehicle to provide prear-
18 ranged rides or is connected to the digital network and available to provide prearranged
19 rides; and

20 (B) Warns the participating driver that an automobile insurance policy for a personal
21 vehicle might not provide coverage during times in which the participating driver uses the
22 personal vehicle to provide prearranged rides or is connected to the digital network and
23 available to provide prearranged rides.

24 (2) The Director of the Department of Consumer and Business Services by rule shall
25 specify the information that a transportation network company must provide to a partic-
26 ipating driver under subsection (1)(b) of this section.

27 **SECTION 3.** (1) An individual who intends to become a participating driver shall submit
28 an application to a transportation network company and a copy of the application to the
29 Department of Consumer and Business Services that:

30 (a) Lists the individual's name, address, age and driver license number; and

31 (b) Includes the policy number for automobile liability insurance that covers the
32 individual's personal vehicle and the number of the individual's motor vehicle registration,
33 along with any other information the transportation network company and the department
34 may require to determine the automobile insurance coverage that the individual maintains
35 for the individual's personal vehicle.

36 (2) A transportation network company or a participating driver, or both in combination,
37 shall obtain and keep in force at all times during which the participating driver remains as
38 a participating driver with the transportation network company a primary automobile in-
39 surance policy that provides coverage while the participating driver is:

40 (a) Providing a prearranged ride; or

41 (b) Connected to a digital network and available to provide prearranged rides.

42 (3) A primary automobile insurance policy described in subsection (2) of this section must
43 provide, while a participating driver is connected to a digital network and available to provide
44 prearranged rides but is not providing a prearranged ride:

45 (a) Coverage with the following limits:

1 (A) \$50,000 for death or bodily injury for each person covered under the policy;

2 (B) \$100,000 for death or bodily injury per incident; and

3 (C) \$25,000 for property damage;

4 (b) Uninsured motorist coverage as required under ORS 742.500 to 742.506, 742.508 and
5 742.510; and

6 (c) Personal injury protection coverage at the minimum coverage amounts required for
7 private passenger motor vehicles under ORS 742.518 to 742.542.

8 (4) A primary automobile insurance policy described in subsection (2) of this section must
9 provide, while a participating driver is providing a prearranged ride:

10 (a) Coverage with a limit of \$1 million for death or bodily injury for each person covered
11 under the policy and for property damage;

12 (b) Uninsured motorist coverage as required under ORS 742.500 to 742.506, 742.508 and
13 742.510; and

14 (c) Personal injury protection coverage at the minimum coverage amounts required for
15 private passenger motor vehicles under ORS 742.518 to 742.542.

16 (5) If an automobile insurance policy that a transportation network company provides for
17 a participating driver has lapsed or does not provide the coverage required under this sec-
18 tion, the participating driver shall provide the required coverage beginning with the first
19 dollar of any claim.

20 (6) A transportation network company may not permit an individual to connect to the
21 transportation network company's digital network as a participating driver if the transpor-
22 tation network company does not provide, or the participating driver does not have, a pri-
23 mary automobile insurance policy with the coverage specified in subsections (3) and (4) of
24 this section.

25 (7) A transportation network company or participating driver may obtain automobile in-
26 surance coverage that meets the requirements of this section from an insurer who has a
27 certificate of authority to transact insurance in this state issued under ORS 731.402 or an
28 eligible surplus lines licensee, as defined in ORS 735.405, that has a credit rating that is not
29 less than a rating that the Director of the Department of Consumer and Business Services
30 specifies by rule.

31 (8) An automobile insurance policy that meets the requirements set forth in this section
32 satisfies the financial responsibility requirements for motor vehicles that are set forth in
33 ORS chapter 806.

34 (9) A participating driver shall comply with ORS 806.011 at all times during which the
35 participating driver is providing a prearranged ride or is connected to the digital network and
36 available to provide prearranged rides.

37 (10)(a) If an accident occurs while a participating driver is providing a prearranged ride
38 or is connected to the digital network and available to provide prearranged rides, the par-
39 ticipating driver shall provide all required information about the automobile insurance policy
40 to directly interested parties and insurers and to investigating police officers.

41 (b) If an investigating police officer asks, a participating driver shall disclose to the police
42 officer whether at the time of the accident the participating driver was providing a prear-
43 ranged ride or was connected to the digital network and available to provide prearranged
44 rides but not providing a prearranged ride.

45 (11) The director may impose a civil penalty under ORS 183.745 in an amount the director

1 specifies by rule, not to exceed \$5,000, on a transportation network company for each in-
 2 stance in which the transportation network company fails to comply with a requirement set
 3 forth in this section or permits a participating driver to violate a provision of this section.
 4 The director may also impose a civil penalty in an amount the director specifies by rule on
 5 a participating driver who fails to comply with a requirement of this section.

6 **SECTION 4.** (1) An insurer may deny or exclude from an automobile insurance policy any
 7 and all coverage for a loss or injury that occurs while the insured is providing a prearranged
 8 ride or is connected to a digital network and available to provide prearranged rides.
 9 Notwithstanding the provisions of ORS chapter 806, coverage that an insurer may exclude
 10 under the circumstances described in this subsection includes, but is not limited to:

11 (a) Liability coverage for death, bodily injury or property damage;

12 (b) Uninsured motorist coverage as required under ORS 742.500 to 742.506, 742.508 and
 13 742.510;

14 (c) Personal injury protection coverage at the minimum coverage amounts required for
 15 private passenger motor vehicles under ORS 742.518 to 742.542;

16 (d) Coverage for medical payments;

17 (e) Comprehensive coverage for physical damage to a motor vehicle; and

18 (f) Coverage for collisions and resulting physical damage.

19 (2) An insurer that denies or excludes coverage under this section does not have a duty
 20 to indemnify any party or defend against a claim brought against a participating driver or a
 21 transportation network company to the extent that the insurer denied or excluded coverage
 22 for the claim.

23 (3) This section does not limit or invalidate an exclusion of the type described in sub-
 24 section (1) of this section that existed in an automobile insurance policy before the effective
 25 date of this 2017 Act.

26 (4) An insurer that defends against a claim or indemnifies a party after denying or ex-
 27 cluding coverage for the claim has a right of contribution against any other insurer that
 28 provides coverage to a participating driver under section 3 of this 2017 Act.

29 (5) A transportation network company shall cooperate fully with an investigation of an
 30 accident that involves a participating driver and shall provide in response to a request from
 31 a party involved in the accident, an insurer or an investigating police officer the precise
 32 times during which the participating driver was providing a prearranged ride or was con-
 33 nected to a digital network and available to provide prearranged rides during a period that
 34 begins 12 hours before the time of the accident and ends 12 hours after the time of the ac-
 35 cident.

36 (6) An insurer shall disclose in response to a request from another insurer following an
 37 accident that involved an insured who is a participating driver the coverage, limits and ex-
 38 clusions in an automobile insurance policy for the insured.

39 (7) This section does not require an insurer to refer to this section or to use specific
 40 language to deny or exclude coverage as provided in this section.

41 (8) This section does not preclude an insurer from providing primary or excess automo-
 42 bile insurance coverage for a personal vehicle if the insurer contracts with a participating
 43 driver to provide the coverage or if the insurer provides the coverage by endorsement on the
 44 participating driver's automobile insurance policy.