



# Oregon

Kate Brown, Governor

## Department of Consumer and Business Services

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Representative Susan McLain  
House District 29  
900 Court St NE H-477  
Salem, OR 97301

Delivered via email: [Rep.SusanMcLain@oregonlegislature.gov](mailto:Rep.SusanMcLain@oregonlegislature.gov)

Dear Representative McLain,

Thank you for reaching out to the Division of Financial Regulation (DFR) regarding House Bill 3023. You requested that we review the language in HB 3023A and the -14 amendment to determine if: (1) the amendment requires that all transportation network company (TNC) drivers have all the insurance required under Oregon law; (2) if the amendment requires that the TNC has its own insurance policy that steps in to cover the driver if they are in an accident while acting as a TNC driver; and (3) if the amendment requires that the TNC's insurance coverage is primary in practice at all times in which a driver is working.

To your first question, it is our interpretation that the bill with the -14 amendment requires either the TNC or the driver obtain insurance. Section 8(1) provides that:

A transportation network company or a participating driver, or both the transportation network company and the participating driver in combination, shall obtain and keep in force at all times during which the participating driver remains as a participating driver with the transportation network company a primary automobile insurance policy..."

[Emphasis ours].

Under our reading, this language allows either the TNC or the driver to obtain primary coverage. It would be permissible for only the driver and not the TNC to obtain primary coverage or vice versa.

However, to your second question, section 8(4) requires that:

If a participating driver's primary automobile insurance policy has lapsed or does not provide the coverage required under this section, the transportation network company with which the participating driver is associated shall provide the required coverage beginning with the first dollar of any claim.



Subsection 4 appears to only take effect when the driver's policy lapses or does not provide coverage. As long as a driver has adequate coverage, the TNC is not obligated to provide coverage. In practice, it has been our understanding that TNCs do obtain an umbrella policy that provides coverage when the driver's insurance does not cover all losses. Otherwise, in the event of an incident not covered by the driver's primary automobile insurance policy, the TNC would need a policy to provide that backstop.

Finally, section 8(5) requires that:

An automobile insurance policy that a transportation network company maintains under this section may not require an insurer that provides an automobile insurance policy to a participating driver...to deny a claim as a condition of providing coverage under the transportation network company's automobile insurance policy.

We read that provision to mean that in instances when the TNC provides coverage, they must ensure that the coverage is primary. However, as noted above, the TNC is not always required to maintain insurance coverage.

I hope this analysis is helpful. Please let us know if we can answer any additional questions.

Sincerely,

Richard Y. Blackwell  
Policy Manager, Division of Financial Regulation