House Bill 3195

Sponsored by Representative SCHOUTEN (at the request of Darin Campbell for 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.

Establishes insurance coverage requirements for participating drivers that offer or provide pre-arranged rides to riders by means of digital networks. Permits insurers to exclude coverage for transportation network companies or participating drivers.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to insurance coverage for motor vehicles used in connection with transportation network companies; and prescribing an effective date.

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

SECTION 1. As used in sections 1 to 3 of this 2019 Act:

(1) “Digital network” means an Internet-based software application, website or platform that allows individuals who operate personal vehicles to communicate with potential passengers for the purpose of soliciting, arranging and providing prearranged rides.

(2) “Participating driver” means an individual who:

(a) Receives requests for prearranged rides from potential passengers through a transportation digital network; and

(b) Offers or provides prearranged rides to passengers in exchange for a fee that the passengers pay.

(3) “Personal vehicle” means a vehicle that an individual who operates the vehicle owns, leases or has authorization to use.

(4) “Prearranged ride” means transportation that an individual who operates a personal vehicle provides to one or more passengers between points that the passenger or passengers choose that begins when the individual accepts a request for transportation and ends when the last passenger exits the personal vehicle.

(5)(a) “Transportation network company” means an entity that is qualified to do business in this state and that offers or operates a digital network.

(b) “Transportation network company” does not include an entity that:

(A) Provides taxicab services;

(B) Is engaged in the business of providing transportation along fixed routes or at regular intervals;

(C) Is engaged in the business of providing for-hire transportation using motor vehicles that the entity owns, operates or otherwise controls; or

(D) Contracts with a government entity or coordinated care organization, as defined in ORS 414.025, to serve Medicaid recipients.

SECTION 2. (1) 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 is connected to a digital
network and is available to receive requests for or is providing a prearranged ride a primary
automobile insurance policy that states explicitly that the insured is a participating driver
and provides:
   (a) Coverage with a limit of $1 million for death, bodily injury and property damage;
   (b) Uninsured motorist coverage as required under ORS 742.500 to 742.506, 742.508 and
       742.510; and
   (c) Personal injury protection coverage at the minimum coverage amounts required for
       private passenger vehicles under ORS 742.518 to 742.542.
(2) 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. The transportation network company's insurer has a duty
to defend against the claim.
(3) An automobile insurance policy that a participating driver or transportation network
company maintains under this section may not require as a condition of providing coverage
that the insurer deny a claim.
(4) A participating driver or transportation network company may obtain automobile in-
surance coverage that meets the requirements of this section only from:
   (a) An insurer who has a certificate of authority to transact insurance in this state that
       the Director of the Department of Consumer and Business Services issued under ORS
       731.402; or
   (b) An eligible surplus lines insurer, as defined in ORS 735.405, that has a credit rating
       that is not less than a rating that the director specifies by rule.
(5) An insurance policy that meets the requirements set forth in this section satisfies the
financial responsibility requirements for motor vehicles that are set forth in ORS chapter
806.
(6) A participating driver shall comply with ORS 806.011 at all times during which the
participating driver provides a prearranged ride or is available to provide a prearranged ride.
(7) If an accident occurs at a time during which a participating driver is providing a
prearranged ride or is available to provide a prearranged ride, the participating driver shall:
   (a) Provide proof of insurance that satisfies the requirements of this section and give all
       required information about the automobile insurance policy to any other party involved in
       the accident, to insurers of any other party involved in the accident and to police officers
       that ask for the proof of insurance; and
   (b) Disclose to a police officer that asks whether at the time of the accident the particip-
       ipating driver was providing a prearranged ride or was available to provide a prearranged
       ride but not engaged in providing a prearranged ride.
(8) A participating driver shall carry written or electronic proof of insurance that satis-
fies the requirements of this section at all times during which the participating driver is
operating a personal vehicle while connected to a digital network.

SECTION 3. (1) An insurer may deny or exclude from an automobile insurance policy any
and all coverage for a loss or injury that occurs while the insured is providing a prearranged
ride or is available to provide a prearranged ride. Notwithstanding the provisions of ORS
chapter 806, coverage that an insurer may exclude under the circumstances described in this subsection includes, but is not limited to:

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

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

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

(d) Coverage for medical payments;

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

(f) Coverage for collisions and resulting physical damage.

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

(3) This section does not limit or invalidate an exclusion of the type described in subsection (1) of this section that existed in an automobile insurance policy before the operative date of sections 1 to 3 of this 2019 Act.

(4) An insurer that defends against a claim or indemnifies a party after denying or excluding coverage for the claim has a right of contribution against any other insurer that provides coverage to a transportation network company or participating driver under section 2 of this 2019 Act.

(5) A transportation network company shall cooperate fully with an investigation of an accident that involves a participating driver and shall provide in response to a request from a party involved in the accident, an insurer or an investigating police officer the precise times during which the participating driver was providing a prearranged ride or was available to provide a prearranged ride during a period that begins 12 hours before the time of the accident and ends 12 hours after the time of the accident.

(6) A transportation network company, the transportation network company's insurer and the insurers of all parties involved in an accident shall disclose in response to a request from another insurer that is named in the same claim the coverage, limits and exclusions for the automobile insurance policy the insurer provided.

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

(8) This section does not preclude an insurer from providing primary or excess automobile insurance coverage for a public passenger vehicle if the insurer contracts with an operator to provide the coverage or if the insurer provides the coverage by endorsement on the operator's automobile insurance policy.

SECTION 4. This 2019 Act takes effect on the 91st day after the date on which the 2019 regular session of the Eightieth Legislative Assembly adjourns sine die.