

DRAFT

SUMMARY

Applies insurance requirements for drivers that provide transportation services in affiliation with transportation network companies to drivers that provide delivery services to customers in affiliation with transportation network companies.

Takes effect on 91st day after adjournment sine die.

A BILL FOR AN ACT

Relating to insurance coverage for drivers that are affiliated with transportation network companies; creating new provisions; amending ORS 742.518 and 742.520; and prescribing an effective date.

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

SECTION 1. ORS 742.518 is amended to read:

742.518. As used in ORS 742.518 to 742.542:

(1) “Evaluation services” means physical examinations or reviews of medical records of beneficiaries conducted at the request of an insurer by either an employee of the insurer or a third-party medical record or bill review service to determine whether the provision or continuation of medical services is necessary or reasonable.

(2) “Managed care services” means any system of health care delivery that attempts to control or coordinate use of health care services in order to contain health care expenditures or improve quality of health care services.

(3) “Motor vehicle” means a self-propelled land motor vehicle or trailer, other than:

(a) A farm-type tractor or other self-propelled equipment designed for use

1 principally off public roads, while not upon public roads;

2 (b) A vehicle operated on rails or crawler-treads; or

3 (c) A vehicle located for use as a residence or premises.

4 (4) “Motorcycle” and “moped” have the meanings given those terms in
5 ORS 801.345 and 801.365.

6 (5) “Occupying” means in, or upon, or entering into or alighting from.

7 (6) “Pedestrian” means a person while not occupying a self-propelled ve-
8 hicle other than a wheelchair or a similar low-powered motorized or me-
9 chanically propelled vehicle that is designed specifically for use by a person
10 with a physical disability and that is determined to be medically necessary
11 for the occupant of the wheelchair or other low-powered vehicle.

12 (7) “Personal injury protection benefits” means the benefits described in
13 ORS 742.518 to 742.542.

14 (8) “Private passenger motor vehicle” means a four-wheel passenger or
15 station wagon type motor vehicle not used as a public or livery conveyance,
16 and includes any other four-wheel motor vehicle of the utility, pickup body,
17 sedan delivery or panel truck type not used for wholesale or retail delivery
18 other than farming, a self-propelled mobile home and a farm truck.

19 (9) “Proof of loss” means documentation that allows an insurer to deter-
20 mine whether a person is entitled to personal injury protection benefits and
21 the amount of any benefit that is due.

22 (10) “Provider” has the meaning given that term in ORS 743B.001.

23 (11) “Taxi company” means a corporation, limited liability company,
24 partnership or other association that provides transportation services for
25 compensation that passengers may request by means of telephone, software
26 applications, websites or other Internet-based electronic technology or by
27 visible, audible or otherwise physically perceptible signaling directly to a
28 hired driver who provides the transportation services with a motor vehicle
29 that the hired driver:

30 (a) Owns and operates in affiliation with the corporation, limited liability
31 company, partnership or other association;

(b) Leases or rents from the corporation, limited liability company, partnership or other association; or

(c) Has other authorization from the corporation, limited liability company, partnership or other association to use for the purposes described in this subsection.

(12) “Transportation network company” means a corporation, limited liability company, partnership or other association that provides a software or digital application, the express purpose of which is to connect to the Internet and enable a prospective passenger **or customer** to seek and obtain transportation **or delivery** services from a driver who operates a personal motor vehicle for the purpose of providing transportation **or delivery** services for compensation in affiliation with the corporation, limited liability company, partnership or other association.

SECTION 2. ORS 742.520 is amended to read:

742.520. (1)(a) Every motor vehicle liability policy issued for delivery in this state that covers any private passenger motor vehicle shall provide personal injury protection benefits to the person insured thereunder, members of that person’s family residing in the same household, children not related to the insured by blood, marriage or adoption who are residing in the same household as the insured and being reared as the insured’s own, passengers occupying the insured motor vehicle and pedestrians struck by the insured motor vehicle.

(b) A transportation network company shall provide a motor vehicle liability policy with personal injury protection benefits to each driver who operates a personal motor vehicle in affiliation with the transportation network company.

(c) A taxi company shall provide a motor vehicle liability policy with personal injury protection benefits to each driver who operates a taxi in affiliation with the taxi company.

(d) The personal injury protection benefits described in paragraphs (b) and (c) of this subsection must, at all times during which the driver operates

the personal motor vehicle or the taxi to provide transportation **or delivery** services to passengers **or customers** in affiliation with the transportation network company or the taxi company, cover the driver of the personal motor vehicle or taxi, any passengers that occupy the personal motor vehicle or taxi and pedestrians that are struck by the personal motor vehicle or taxi.

(e) Notwithstanding paragraphs (b), (c) and (d) of this subsection, an insurer may exclude from a motor vehicle liability policy for a private passenger motor vehicle any coverage, including personal injury protection benefits, for a loss or injury that occurs while a driver is operating a private passenger motor vehicle to provide transportation **or delivery** services for compensation in affiliation with a transportation network company.

(2) Personal injury protection benefits apply to a person's injury or death resulting:

(a) In the case of the person insured under the policy and members of that person's family residing in the same household, from the use, occupancy or maintenance of any motor vehicle, except the following vehicles:

(A) A motor vehicle, including a motorcycle or moped, that is owned or furnished or available for regular use by any of such persons and that is not described in the policy;

(B) A motorcycle or moped which is not owned by any of such persons, but this exclusion applies only when the injury or death results from such person's operating or riding upon the motorcycle or moped; and

(C) A motor vehicle not included in subparagraph (A) or (B) of this paragraph and, except as provided in paragraph (c) of this subsection, not a private passenger motor vehicle. However, this exclusion applies only when the injury or death results from such person's operating or occupying the motor vehicle.

(b) In the case of a passenger occupying or a pedestrian struck by the insured motor vehicle, from the use, occupancy or maintenance of the vehicle.

(c) In the case of a person insured under the policy who operates a per-

sonal motor vehicle or a taxi with which the person provides transportation
or delivery services to passengers **or customers** for compensation in affiliation with a transportation network company or a taxi company, from the use, occupancy or maintenance of [*the personal*] **any** motor vehicle or taxi.

(3) Personal injury protection benefits consist of payments for expenses, loss of income and loss of essential services as provided in ORS 742.524.

(4) An insurer shall pay all personal injury protection benefits promptly after proof of loss has been submitted to the insurer.

(5) The potential existence of a cause of action in tort does not relieve an insurer from the duty to pay personal injury protection benefits.

(6) Disputes between insurers and beneficiaries about the amount of personal injury protection benefits, or about the denial of personal injury protection benefits, shall be decided by arbitration if mutually agreed to at the time of the dispute. Arbitration under this subsection shall take place as described in ORS 742.521.

(7) An insurer:

(a) May not enter into or renew any contract that provides, or has the effect of providing, managed care services to beneficiaries.

(b) May enter into or renew any contract that provides evaluation services for beneficiaries.

SECTION 3. The amendments to ORS 742.518 and 742.520 by sections 1 and 2 of this 2023 Act apply to insurance policies that an insurer issues on or after the operative date specified in section 4 of this 2023 Act.

SECTION 4. (1) The amendments to ORS 742.518 and 742.520 by sections 1 and 2 of this 2023 Act become operative on January 1, 2024.

(2) The Director of the Department of Consumer and Business Services may adopt rules and take any other action before the operative date specified in subsection (1) of this section that is necessary to enable the director, on and after the operative date specified in subsection (1) of this section, to undertake and exercise all of the duties,

1 functions and powers conferred on the director by the amendments to
2 ORS 742.518 and 742.520 by sections 1 and 2 of this 2023 Act.

3 **SECTION 5.** This 2023 Act takes effect on the 91st day after the date
4 on which the 2023 regular session of the Eighty-second Legislative
5 Assembly adjourns sine die.

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