

HOUSE BILL 6349
TRANSPORTATION COMMITTEE

STATEMENT OF JOHN A. TAYLOR, SENIOR COUNSEL

GOVERNMENT EMPLOYEES INSURANCE COMPANY (GEICO)

MARCH 2, 2015

Mr. Chairman and members of the Committee. My name is John A. Taylor. I am Senior Counsel of the GEICO group of companies (“GEICO”), the largest private passenger auto insurer in the state of Connecticut and the second largest in the United States. GEICO supports appropriate regulatory oversight of the Transportation Network industry (aka “ride sharing”) regarding the maintenance of commercial insurance.

Transportation Network Companies (“TNC’s) are commercial enterprises. The business of transporting passengers for hire has long been subject to careful regulation. The risks inherent in such a commercial undertaking are quite different from those of the average non-commercial driver. I respectfully refer you to the analysis of the California Insurance Commissioner submitted herewith.

GEICO’s primary concerns are that TNC’s maintain appropriate insurance to protect Connecticut consumers, and that the costs of such insurance are borne by the TNC’s and their customers – not by the private passenger auto marketplace.

GEICO believes that appropriate legislation should address the following issues:

- 1) **Support for Innovation:** Support innovation in both the transportation and insurance market place by providing clear guidelines for TNC insurance.
- 2) **Protecting Insurance Product Certainty:**
 - a. Protect the enforceability of private passenger automobile policy language to exclude “livery” or “for hire” operation of a motor vehicle.
 - b. Preserve the ability of auto insurers to take rating and underwriting action in accordance with the risk insured, including TNC activity, in private passenger automobile policies.
 - c. Reinforce that personal auto lines policies do not provide coverage for TNC activity unless the policy expressly provides for that coverage.

- 3) **Define TNC Activity and TNC Insurance Requirements:**
- a. Define TNC activity as the period of time a driver is logged onto the TNC's app to the time the driver logs off or the ride is completed and the passenger has exited the vehicle, whichever is later.
 - b. Require that TNC's and/ or TNC drivers carry primary coverage that specifically covers TNC activity as defined and require the TNC to demonstrate that required coverage in the given jurisdiction is in place during this period.
- 4) **Provide Clarity and Avoid Disputes:**
- a. In the event of a dispute about whether the driver was engaged in TNC activities as defined, require the insurer that specifically covers TNC activity to defend the driver until the dispute is resolved.
 - b. The TNC shall share data and information in timely fashion to facilitate resolution of the dispute.

On behalf of GEICO, I respectfully request that you pass HB6349 in a form consistent with the position outlined herein. Thank you.

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