



Property Casualty Insurers

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STATEMENT

PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA (PCI)

H.B. No. 5523– AN ACT CONCERNING INSURANCE REQUIREMENTS FOR TRANSPORTATION NETWORK COMPANIES

COMMITTEE ON INSURANCE AND REAL ESTATE

March 15, 2016

The Property Casualty Insurers Association of America (PCI) appreciates the opportunity to comment on House Bill No. 5523. PCI is a national property casualty trade association comprised of over 1,000 member companies, representing the broadest cross-section of insurers of any national trade association. PCI member companies write 36% of all property casualty insurance sold in Connecticut.

PCI supports legislation to establish insurance requirements for transportation network companies (TNCs) because it is important that clear rules are set forth relative to the insurance requirements for TNCs. PCI supports innovation in the transportation industry, such as TNCs, just as we support innovation in the insurance industry. PCI and our insurance industry partners have come to an agreement with the TNCs on the national level relative to the necessary insurance requirements and the agreement has been incorporated into model legislation adopted by the National Conference of Insurance Legislators (NCOIL). H.B. 5523 is consistent with the major provisions of the NCOIL model. It is important, however, from a clarity and multi state uniformity perspective, that TNC insurance laws across the nation match the provisions of the NCOIL model legislation to the greatest degree possible and, while PCI supports this bill, PCI would urge that consideration be given to revising the language of this bill so that it matches the provisions of the NCOIL model.

The NCOIL model ensures that there is clarity relative to which insurance policy covers during TNC activity and ensures that there are no gaps in coverage. Establishing these clear rules will prevent confusion and costly disputes relative to insurance issues relating to TNCs. These provisions, along with the provisions providing disclosure to drivers and other clarifying provisions will help to protect Connecticut residents who use or drive for TNCs. It should be noted additionally, that these provisions also provide for flexibility for TNC insurance products so as to ensure that the market is able to innovate going forward.

To date, 29 states have recognized the need to have clear provisions on the books relative to TNC insurance requirements and have passed laws regulating TNCs, most of which closely track the NCOIL model language, and bills are pending in most other states. By

passing a bill along these lines, Connecticut will join these states in ensuring that there is clarity relative to TNC insurance provisions.

Accordingly, for the foregoing reasons, PCI urges your Committee to favorably advance this bill with revisions in accordance with the NCOIL model language.