



General Assembly

Amendment

February Session, 2016

LCO No. 5736



Offered by:

REP. ARCE, 4th Dist.

REP. O'DEA, 125th Dist.

To: Subst. House Bill No. 5523

File No. 411

Cal. No. 275

**"AN ACT CONCERNING INSURANCE REQUIREMENTS FOR
TRANSPORTATION NETWORK COMPANIES."**

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective July 1, 2016*) (a) As used in this section:

4 (1) "Transportation network company" means a company, including
5 a corporation, a partnership, a trust, an association, a sole
6 proprietorship or a similar organization, that uses a digital network to
7 connect transportation network company riders with transportation
8 network company drivers who provide prearranged rides;

9 (2) "Transportation network company driver" or "driver" means an
10 individual who is not an employee of a transportation network
11 company and who (A) receives connections, in exchange for payment
12 of a fee to such company, to potential transportation network company
13 riders through the transportation network company's digital network,

14 and (B) uses a personal vehicle to offer or provide prearranged rides to
15 transportation network company riders upon connecting with such
16 riders through the transportation network company's digital network,
17 in exchange for compensation or a fee;

18 (3) "Transportation network company rider" or "rider" means an
19 individual who uses a digital network to connect with a transportation
20 network company driver to provide a prearranged ride to the rider
21 between points chosen by the rider;

22 (4) "Digital network" means any online-enabled technology
23 application service, Internet web site or system that is used by a
24 transportation network company and enables prearranged rides with
25 transportation network company drivers;

26 (5) "Prearranged ride" means the transport by a transportation
27 network company driver of a transportation network company rider
28 (A) beginning when the driver accepts, through the transportation
29 network company's digital network, the rider's request for a ride, (B)
30 continuing while the driver transports the rider, and (C) ending when
31 the last requesting rider departs from the driver's personal vehicle.
32 "Prearranged ride" does not include the transport of an individual,
33 which transport has not been arranged with a transportation network
34 company driver through the use of a transportation network
35 company's digital network; and

36 (6) "Personal vehicle" means a private passenger motor vehicle that
37 is (A) owned, leased or otherwise authorized for the provision of
38 prearranged rides by a transportation network company driver, and
39 (B) used by such driver to provide a prearranged ride.

40 (b) (1) No holder of a certificate of public convenience and necessity
41 issued pursuant to section 13b-97 of the general statutes, as amended
42 by this act, may use or allow to be used a taxicab, as described in
43 section 13b-95 of the general statutes, as amended by this act, to
44 provide prearranged rides.

45 (2) No holder of a permit issued pursuant to section 13b-103 of the
46 general statutes, as amended by this act, or 13b-105 of the general
47 statutes may use or allow to be used a motor vehicle in livery service,
48 as described in section 13b-101 of the general statutes, as amended by
49 this act, to provide prearranged rides.

50 (c) (1) Not later than July 1, 2016, a transportation network company
51 driver or a transportation network company on such driver's behalf
52 shall procure and maintain an automobile insurance policy that
53 recognizes that the driver is a transportation network company driver
54 and provides coverage for such driver as follows:

55 (A) For the period during which the driver is logged on to the
56 transportation network company's digital network and is available to
57 receive requests for prearranged rides but is not engaged in the
58 provision of a prearranged ride: (i) Automobile liability insurance
59 coverage of at least (I) fifty thousand dollars for damages by reason of
60 bodily injury to, or the death of, any one person, (II) one hundred
61 thousand dollars for damages by reason of bodily injury or death per
62 accident, and (III) twenty-five thousand dollars for property damage;
63 and (ii) uninsured and underinsured motorist coverage in accordance
64 with the provisions of section 38a-336 of the general statutes; and

65 (B) For the period during which the driver is engaged in the
66 provision of a prearranged ride: (i) Automobile liability insurance
67 coverage of at least one million dollars for damages by reason of
68 bodily injury, death or property damage; and (ii) uninsured and
69 underinsured motorist coverage in accordance with the provisions of
70 section 38a-336 of the general statutes.

71 (2) (A) The coverage required under subdivision (1) of this
72 subsection may be satisfied by an automobile insurance policy
73 maintained by a transportation network company driver or the
74 transportation network company or a combination of both. Nothing in
75 this section shall be construed to (i) require an insurance company that
76 issues automobile insurance policies in this state to issue automobile

77 insurance policies that provide the coverage specified under
78 subdivision (1) of this subsection, or (ii) preclude an insurance
79 company from providing primary or excess coverage by contract or
80 endorsement for a transportation network company driver's personal
81 vehicle.

82 (B) If an automobile insurance policy maintained by a
83 transportation network company driver has lapsed or does not
84 provide the coverage required under subdivision (1) of this subsection,
85 the transportation network company's automobile insurance policy
86 shall provide such coverage, beginning with the first dollar of a claim,
87 and the insurance company issuing such policy shall have the duty to
88 defend a claim that arises while such driver is logged on to the
89 transportation network company's digital network to receive requests
90 for prearranged rides or is engaged in the provision of a prearranged
91 ride.

92 (C) Coverage under an automobile insurance policy maintained by
93 a transportation network company shall not be dependent on another
94 insurance company first denying a claim, nor shall such other
95 insurance company be required to first deny a claim.

96 (3) A transportation network company may procure the coverage
97 required under subdivision (1) of this subsection from (A) an insurance
98 company authorized to do business in this state, or (B) a surplus lines
99 insurer that has at least an A minus credit rating by A.M. Best or an A
100 or similar credit rating by another rating agency approved by the
101 Insurance Commissioner. Any such insurance company or surplus
102 lines insurer shall comply with the provisions of subsection (a) of
103 section 38a-318a of the general statutes.

104 (d) (1) A transportation network company driver shall carry proof
105 of insurance satisfying the coverage required under subdivision (1) of
106 subsection (c) of this section at all times during such driver's use of a
107 personal vehicle while logged on to a transportation network
108 company's digital network to receive requests for prearranged rides or

109 engaged in the provision of a prearranged ride. The transportation
110 network company shall ensure it provides such proof of insurance to
111 all of its drivers to whom such transportation network company is
112 providing such coverage.

113 (2) In the event of an accident, a transportation network company
114 driver shall provide such proof of insurance coverage to the directly
115 interested parties, insurance companies and investigating police
116 officers. A transportation network company driver shall disclose, upon
117 request, to directly interested parties, insurance companies and
118 investigating police officers whether such driver was logged on to the
119 transportation network company's digital network or was engaged in
120 the provision of a prearranged ride at the time of the accident.

121 (3) In any claims investigation, a transportation network company
122 shall immediately provide, upon request from a directly involved
123 party or the transportation network company driver's insurance
124 company, the precise times such driver was logged on and logged off
125 the transportation network company's digital network in the twelve-
126 hour periods immediately preceding and immediately following the
127 accident. An insurance company providing any coverage required
128 under subdivision (1) of subsection (c) of this section shall disclose,
129 upon request by any other insurance company providing any coverage
130 required under subdivision (1) of subsection (c) of this section, the
131 applicable coverages, exclusions and limits under the automobile
132 insurance policy issued to satisfy the coverage requirements under
133 said subdivision.

134 (4) For any claim covered under the collision or comprehensive
135 coverage of a transportation network company's motor vehicle
136 insurance policy, the insurance company shall make payment on such
137 claim directly to the business repairing the motor vehicle or jointly, if
138 applicable, to the owner of the motor vehicle and the primary
139 lienholder of such vehicle.

140 (e) Notwithstanding the provisions of sections 14-112, 38a-334, 38a-

141 335 and 38a-336 of the general statutes, an insurance company that
142 offers automobile insurance coverage in this state may offer
143 automobile insurance policies to individuals that exclude any or all
144 coverage afforded under such policies for any loss or injury that occurs
145 during the period an insured is logged on to a transportation network
146 company's digital network and available to receive requests for
147 prearranged rides or engaged in the provision of a prearranged ride.
148 Such exclusions may include, but are not limited to, (1) liability
149 coverage for bodily injury, death or property damage, (2) personal
150 injury protection coverage, (3) uninsured and underinsured motorist
151 coverage, (4) medical payments coverage, (5) collision physical
152 damage coverage, or (6) comprehensive physical damage coverage.
153 Nothing in this subsection shall be construed to require an insurance
154 company that clearly and conspicuously discloses such exclusions to
155 use any particular policy language or reference to this subsection to
156 exclude any or all coverage pursuant to this subsection.

157 (f) (1) An insurance company that excludes coverage pursuant to
158 subsection (e) of this section shall have no duty to defend or indemnify
159 any claim against a transportation network company driver for which
160 coverage is expressly excluded in such driver's automobile insurance
161 policy. If an insurance company defends or indemnifies a claim against
162 a transportation network company driver for which coverage is
163 expressly excluded in such driver's automobile insurance policy, the
164 insurance company shall have a right of subrogation against other
165 insurance companies that provide automobile insurance coverage to
166 such driver to satisfy the requirements of subdivision (1) of subsection
167 (c) of this section.

168 (2) Nothing in this section shall be construed to invalidate or limit
169 an exclusion contained in an automobile insurance policy, including
170 any such policy in use or approved for use in this state prior to July 1,
171 2016, that excludes coverage for vehicles used to transport property or
172 passengers for a fee or available for hire by the public.

173 (3) In the event of a claim against a transportation network company

174 driver in which there is disagreement between such driver's insurance
175 company and the transportation network company's insurance
176 company as to which insurance company has the duty to defend, the
177 insurance company issuing the transportation network company's
178 automobile insurance policy shall have the duty to defend such claim.

179 (g) Prior to initially permitting a transportation network company
180 driver to accept a rider request for a prearranged ride through the
181 transportation network company's digital network, a transportation
182 network company shall disclose, in writing, to such driver the
183 following:

184 (1) The insurance coverage, including the types of coverage and the
185 limits for each type of coverage, that the transportation network
186 company provides during the period such driver is using his or her
187 personal vehicle while logged on to the transportation network
188 company's digital network and available to receive requests for
189 prearranged rides or engaged in the provision of a prearranged ride;

190 (2) A statement that such driver's automobile insurance policy
191 might not provide coverage while such driver is logged on to the
192 transportation network company's digital network and available to
193 receive requests for prearranged rides or engaged in the provision of a
194 prearranged ride; and

195 (3) A statement that if such driver's personal vehicle has a lien on it,
196 the use of such vehicle for such purposes without physical damage
197 coverage may violate the terms of the contract with the lienholder.

198 Sec. 2. Section 13b-95 of the general statutes is repealed and the
199 following is substituted in lieu thereof (*Effective July 1, 2016*):

200 The term "taxicab" includes any motor vehicle operated upon any
201 street or highway or on call or demand accepting or soliciting
202 passengers indiscriminately for transportation for hire between such
203 points along streets or highways as may be directed by the passenger
204 or passengers being transported, provided nothing in this chapter shall

205 be construed to include, as a taxicab, a motor bus, as defined in section
206 14-1, [or] a motor vehicle in livery service when such motor vehicle is
207 hired for a specific trip or trips and is subject to the direction of the
208 person hiring the same, or a personal vehicle operated by a
209 transportation network company driver, as both terms are defined in
210 subsection (a) of section 1 of this act.

211 Sec. 3. Section 13b-97 of the general statutes is amended by adding
212 subsection (e) as follows (*Effective July 1, 2016*):

213 (NEW) (e) No person, association, limited liability company or
214 corporation which has obtained a certificate under subsection (a) of
215 this section may use or allow to be used a taxicab to provide
216 prearranged rides, as defined in subsection (a) of section 1 of this act.

217 Sec. 4. Section 13b-101 of the general statutes is repealed and the
218 following is substituted in lieu thereof (*Effective July 1, 2016*):

219 The term "motor vehicle in livery service" includes every motor
220 vehicle used by any person, association, limited liability company or
221 corporation which represents itself to be in the business of transporting
222 passengers for hire, except (1) any motor bus and any taxicab operated
223 under a certificate of public convenience and necessity issued by the
224 Department of Transportation, (2) any school bus, as defined in section
225 14-275, or student transportation vehicle, as defined in section 14-212,
226 when used for the transportation of children under the age of twenty-
227 one years, (3) any school bus, as defined in section 14-275, when used
228 for the transportation of passengers (A) by virtue of a contract with
229 any public or private institution of higher education, (B) pursuant to a
230 contract for service to a special event held at a location or facility
231 which is not open for business on a daily basis throughout the year,
232 not to exceed a period of ten days, or (C) pursuant to a contract with a
233 municipality for which the carrier provides school transportation
234 service, (4) any motor vehicle operated by or through a community-
235 based regional transportation system for the elderly established
236 pursuant to section 55 of public act 05-280, [and] (5) any motor vehicle

237 operated by or through a community-based regional transportation
238 system for the visually impaired, and (6) any personal vehicle operated
239 by a transportation network company driver, as both terms are defined
240 in subsection (a) of section 1 of this act.

241 Sec. 5. Section 13b-103 of the general statutes is repealed and the
242 following is substituted in lieu thereof (*Effective July 1, 2016*):

243 (a) (1) No person, association, limited liability company or
244 corporation shall operate a motor vehicle in livery service until such
245 person, association, limited liability company or corporation has
246 obtained a permit from the Department of Transportation, specifying
247 the nature and extent of the service to be rendered and certifying that
248 public convenience and necessity will be improved by the operation
249 and conduct of such livery service. Such permits shall be issued only
250 after a written application for the same has been made and a public
251 hearing has been held thereon. Upon receipt of such application,
252 together with the payment of a fee of two hundred dollars, the
253 department shall fix a time and place of hearing thereon, within a
254 reasonable time, and shall promptly give written notice of the
255 pendency of such application and of the time and place of such
256 hearing to each applicant, the mayor of each city, the warden of each
257 borough and the first selectman of each town, within which any such
258 applicant desires to maintain an office or headquarters, to any carrier
259 legally operating motor vehicles in livery service within the same
260 territory and to other interested parties as determined by the
261 department.

262 (2) Notwithstanding the provisions of subdivision (1) of this
263 subsection, the department may issue a permit for the operation of
264 vehicles (A) having a capacity of less than eleven adults or to be used
265 exclusively at funerals, weddings, christenings, processions or
266 celebrations, without holding a hearing and certifying that public
267 convenience and necessity would be improved by the operation of
268 such vehicles, or (B) having a capacity of not less than eleven or more
269 than fourteen adults and used for sightseeing and related purposes,

270 without holding a hearing, provided the department issues a legal
271 notice, as provided under section 1-2, of such application and no
272 objection is filed with the department within thirty days of publication
273 of such notice.

274 (3) Notwithstanding the provisions of subdivision (1) of this
275 subsection, the department may issue a temporary or permanent
276 permit to any person, association, limited liability company or
277 corporation operating a motor vehicle engaged in the transportation of
278 passengers for hire by virtue of a contract with, or a lower tier contract
279 for, any federal, state or municipal agency that (A) is in effect on July 1,
280 1997, with or without hearing, after a written application for the same
281 has been made and the department has determined that the applicant
282 meets the requirements of subsection (b) of this section except with
283 respect to public convenience and necessity, or (B) becomes effective
284 after July 1, 1997, with or without hearing, after a written application
285 for the same has been made and the department has determined that
286 the applicant meets the requirements of subsection (b) of this section.
287 Any such permit issued under the provisions of this subdivision (i)
288 shall be limited to service provided under any such contract, and (ii)
289 with respect to any contract under the provisions of subparagraph (A)
290 of this subdivision, shall not authorize a total number of motor
291 vehicles exceeding the number required to provide service existing
292 under such contract on July 1, 1997.

293 (4) Notwithstanding the provisions of subdivision (1) of this
294 subsection, the department shall issue to any person who has an
295 intrastate livery permit for at least one year, upon the application of
296 such person, up to two additional vehicle authorizations each year
297 without a hearing and without written notice of the pendency of the
298 application, if all the existing permits held by such person are
299 registered and in use and if there are no outstanding violations or
300 matters pending adjudication against such person. The department
301 shall have thirty calendar days to issue such amended permit.

302 (b) In determining whether or not such a permit will be granted, the

303 Department of Transportation shall take into consideration the present
304 or future public convenience and necessity for the service the applicant
305 proposes to render, the suitability of the applicant or the suitability of
306 the management if the applicant is a limited liability company or
307 corporation, the financial responsibility of the applicant, the ability of
308 the applicant efficiently and properly to perform the service for which
309 authority is requested and the fitness, willingness and ability of the
310 applicant to conform to the provisions of this chapter and the
311 requirements and regulations of the department under this chapter.

312 (c) Any interested party may bring a written petition to the
313 Department of Transportation in respect to fares, service, operation or
314 equipment, or the convenience, protection and safety of the public
315 with regard to any carrier operating a motor vehicle in livery service.
316 Thereupon, the department may fix a time and place for a hearing
317 upon such petition and give notice thereof. No permit shall be sold or
318 transferred until the department, upon written application to it setting
319 forth the purpose, terms and conditions thereof and accompanied by a
320 fee of two hundred dollars, after investigation, approves the same. The
321 department may amend or, for sufficient cause shown, may suspend
322 or revoke any such permit. The department may impose a civil penalty
323 on any person or any officer of any association, limited liability
324 company or corporation who violates any provision of this chapter or
325 any regulation adopted under section 13b-102 with respect to fares,
326 service, operation or equipment, in an amount not to exceed one
327 thousand dollars per day for each violation. Prior to the imposition of a
328 civil penalty under this subsection, the department shall provide notice
329 to said person or officer no later than fifteen business days after receipt
330 of information concerning an alleged violation and shall provide an
331 opportunity for a hearing.

332 (d) The owner or operator of each motor vehicle in livery service
333 shall display in such vehicle such permit or a memorandum thereof.

334 (e) No person, association, limited liability company or corporation
335 which has obtained a permit under subsection (a) of this section or

336 section 13b-105 may use or allow to be used a motor vehicle in livery
 337 service to provide prearranged rides, as defined in subsection (a) of
 338 section 1 of this act.

339 [(e)] (f) Any person who holds him or herself out to be the operator
 340 of a motor vehicle in livery service who has not received a permit
 341 under this section or with the intent to injure or defraud another shall
 342 be guilty of a class B misdemeanor."

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2016	New section
Sec. 2	July 1, 2016	13b-95
Sec. 3	July 1, 2016	13b-97
Sec. 4	July 1, 2016	13b-101
Sec. 5	July 1, 2016	13b-103