



NORTHEAST REGION

95 Columbia Street

Albany, NY 12210

518-462-1695

Fax 518-465-6023

HB 5523 AN ACT CONCERNING INSURANCE REQUIREMENTS FOR TRANSPORTATION NETWORK COMPANIES

Statement of the American Insurance Association

March 15, 2016

The American Insurance Association (AIA) is a leading national trade association representing approximately 325 major property and casualty insurance companies that collectively underwrite nearly \$117 billion in direct property and casualty premiums nationwide. AIA member companies write nearly twenty percent of the automobile insurance market in Connecticut. We are pleased to offer comments on House Bill 5523 which would set forth insurance requirements for Transportation Network Companies operating in the State.

AIA fully supports new innovation and technologies in the automobile industry, including the transportation network company model; however this must be balanced with appropriate regulation to ensure that drivers, passengers and the public at large are protected. HB 5523 comes very close to achieving this goal; however a few amendments are needed in order to bring the bill into conformance with the national agreement reached between the insurance industry and TNC industry. Such agreement is embodied in the model legislation that has been adopted by the National Conference of Insurance Legislators (NCOIL), a copy of which is attached for review.

The insurance industry and TNC industry share a mutual commitment to ensuring safe transportation options, which includes maintaining appropriate insurance coverage. That is why the two industries worked diligently over the course of the better part of a year and finally reached agreement on a core set of insurance regulatory principals to advance in states that are considering TNC regulation. The resulting language, which is reflected in the NCOIL Model Act, sets forth important insurance requirements for all periods of TNC operation to ensure that there are no gaps in coverage. The model language provides clarity and consistency to the insurance rules surrounding TNC coverage, reducing consumer confusion and providing insurers with the ability to make sound underwriting and pricing decisions. The model language also includes important disclosures for consumers engaging in TNC activities.

As such, AIA supports the adoption of the NCOIL Model Act in its entirety as we believe that it provides a workable framework for all stakeholders and is the best approach for ensuring that consumers are fully protected.

Thank you for the opportunity to provide comments and share our thoughts on this important issue. For the foregoing reasons, AIA urges the Committee to support House Bill 5523 with the adoption of necessary amendments to bring the bill into greater conformance with the NCOIL Model Act. We stand ready to work with the Committee and would welcome the opportunity to have additional conversations to discuss the necessary amendments in greater detail.

Alison Cooper
Regional Vice President, Northeast Region