



STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

TESTIMONY PRESENTED TO THE INSURANCE COMMITTEE

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Garrett Eucalitto

*Undersecretary, Transportation Policy and Planning
Office of Policy and Management*

Testimony Regarding House Bill No. 5523

AN ACT CONCERNING INSURANCE REQUIREMENTS FOR TRANSPORTATION
NETWORK COMPANIES

Senator Crisco, Representative Megna, and distinguished members of the Insurance Committee. Thank you for this opportunity to provide testimony on HB 5523, AN ACT CONCERNING INSURANCE REQUIREMENTS FOR TRANSPORTATION NETWORK COMPANIES.

I understand the desire to regulate insurance for Transportation Network Companies (TNCs), which is a significant issue that this bill seeks to address. However, insurance is just one of many vital questions that surround this emerging industry, and regulating TNCs should not be done in piecemeal fashion. As a result, the Office of Policy and Management (OPM) is opposed to HB 5523.

OPM believes that Connecticut should undertake a comprehensive approach that will address pertinent legal issues, including insurance requirements, while also ensuring public safety to the greatest extent possible.

The General Assembly should address the question of what a complete legal framework of TNCs should look like in the State of Connecticut to protect the general public and reduce the risks associated with passenger service providers. Specifically, OPM believes there should be a discussion as to whether Connecticut should require fingerprint background checks for all potential TNC drivers, similar to taxi drivers.

Essentially, we believe the state should require all TNC drivers to register their vehicles with the state, just like traditional taxi and livery service drivers. Moreover, every TNC driver should be required to obtain a Public Passenger Transportation Endorsement from the Department of Motor Vehicles prior to accepting clients. This process ensures that potential candidates are suitable drivers, who can be entrusted with safely transporting individuals from place to place. Since TNC drivers do not currently register their vehicles as carrying passengers, and do not obtain an endorsement on their license, the state has no knowledge of who is picking up passengers and driving them to their destination. We believe that it is in the best interest of the citizens of Connecticut that the state keep a record of who is serving as a TNC driver and what vehicle they are using. This commonsense approach has been adopted by other jurisdictions.

Lastly, the proposed legislation does not, as legislated in other jurisdictions, include a registration process for TNC companies to operate in the state. This will ensure that the companies have obtained all of the necessary obligations to function in the state, and also guarantee that there are proper resources and support to ensure effective enforcement.

In our opinion, it would be premature to take the steps outlined in HB 5523 without further considering the critical transportation and public safety concerns outlined in this testimony. We believe the most prudent course of action would be to clearly identify and resolve all of the relevant issues involved with TNCs and then enact a single, comprehensive piece of legislation regulating them. For these reasons, we respectfully request you take no action on this bill.

I would like to again thank the committee for the opportunity to present this testimony.