



General Assembly

Amendment

February Session, 2016

LCO No. 6014



Offered by:
SEN. KELLY, 21st Dist.

To: Subst. House Bill No. 5523 File No. 411 Cal. No. 577

(As Amended by House Amendment Schedule "A")

**"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) Not later than July 1, 2016, a transportation network company
41 driver or a transportation network company on such driver's behalf
42 shall procure and maintain a motor vehicle insurance policy that
43 recognizes that the driver is a transportation network company driver
44 and provides coverage for such driver as follows:

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

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

61 (2) (A) The coverage required under subdivision (1) of this
62 subsection may be satisfied by an automobile insurance policy
63 maintained by a transportation network company driver or the
64 transportation network company or a combination of both. Nothing in
65 this section shall be construed to (i) require an insurance company that
66 issues automobile insurance policies in this state to issue automobile
67 insurance policies that provide the coverage specified under
68 subdivision (1) of this subsection, or (ii) preclude an insurance
69 company from providing primary or excess coverage by contract or
70 endorsement for a transportation network company driver's personal
71 vehicle.

72 (B) If an automobile insurance policy maintained by a
73 transportation network company driver has lapsed or does not
74 provide the coverage required under subdivision (1) of this subsection,
75 the transportation network company's automobile insurance policy
76 shall provide such coverage, beginning with the first dollar of a claim,
77 and the insurance company issuing such policy shall have the duty to

78 defend a claim that arises while such driver is logged on to the
79 transportation network company's digital network to receive requests
80 for prearranged rides or is engaged in the provision of a prearranged
81 ride.

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

86 (3) A transportation network company may procure the coverage
87 required under subdivision (1) of this subsection from (A) an insurance
88 company authorized to do business in this state, or (B) a surplus lines
89 insurer that has at least an A minus credit rating by A.M. Best or an A
90 or similar credit rating by another rating agency approved by the
91 Insurance Commissioner. Any such insurance company or surplus
92 lines insurer shall comply with the provisions of subsection (a) of
93 section 38a-318a of the general statutes.

94 (c) (1) A transportation network company driver shall carry proof of
95 insurance satisfying the coverage required under subdivision (1) of
96 subsection (b) of this section at all times during such driver's use of a
97 personal vehicle while logged on to a transportation network
98 company's digital network to receive requests for prearranged rides or
99 engaged in the provision of a prearranged ride. The transportation
100 network company shall ensure it provides such proof of insurance to
101 all of its drivers to whom such transportation network company is
102 providing such coverage.

103 (2) In the event of an accident, a transportation network company
104 driver shall provide such proof of insurance coverage to the directly
105 interested parties, insurance companies and investigating police
106 officers. A transportation network company driver shall disclose, upon
107 request, to directly interested parties, insurance companies and
108 investigating police officers whether such driver was logged on to the
109 transportation network company's digital network or was engaged in

110 the provision of a prearranged ride at the time of the accident.

111 (3) In any claims investigation, a transportation network company
112 shall immediately provide, upon request from a directly involved
113 party or the transportation network company driver's insurance
114 company, the precise times such driver was logged on and logged off
115 the transportation network company's digital network in the twelve-
116 hour periods immediately preceding and immediately following the
117 accident. An insurance company providing any coverage required
118 under subdivision (1) of subsection (b) of this section shall disclose,
119 upon request by any other insurance company providing any coverage
120 required under subdivision (1) of subsection (b) of this section, the
121 applicable coverages, exclusions and limits under the automobile
122 insurance policy issued to satisfy the coverage requirements under
123 said subdivision.

124 (4) For any claim covered under the collision or comprehensive
125 coverage of a transportation network company's motor vehicle
126 insurance policy, the insurance company shall make payment on such
127 claim directly to the business repairing the motor vehicle or jointly, if
128 applicable, to the owner of the motor vehicle and the primary
129 lienholder of such vehicle.

130 (d) Notwithstanding the provisions of sections 14-112, 38a-334, 38a-
131 335 and 38a-336 of the general statutes, an insurance company that
132 offers automobile insurance coverage in this state may offer
133 automobile insurance policies to individuals that exclude any or all
134 coverage afforded under such policies for any loss or injury that occurs
135 during the period an insured is logged on to a transportation network
136 company's digital network and available to receive requests for
137 prearranged rides or engaged in the provision of a prearranged ride.
138 Such exclusions may include, but are not limited to, (1) liability
139 coverage for bodily injury, death or property damage, (2) personal
140 injury protection coverage, (3) uninsured and underinsured motorist
141 coverage, (4) medical payments coverage, (5) collision physical
142 damage coverage, or (6) comprehensive physical damage coverage.

143 Nothing in this subsection shall be construed to require an insurance
144 company that clearly and conspicuously discloses such exclusions to
145 use any particular policy language or reference to this subsection to
146 exclude any or all coverage pursuant to this subsection.

147 (e) (1) An insurance company that excludes coverage pursuant to
148 subsection (d) of this section shall have no duty to defend or indemnify
149 any claim against a transportation network company driver for which
150 coverage is expressly excluded in such driver's automobile insurance
151 policy. If an insurance company defends or indemnifies a claim against
152 a transportation network company driver for which coverage is
153 expressly excluded in such driver's automobile insurance policy, the
154 insurance company shall have a right of subrogation against other
155 insurance companies that provide automobile insurance coverage to
156 such driver to satisfy the requirements of subdivision (1) of subsection
157 (b) of this section.

158 (2) Nothing in this section shall be construed to invalidate or limit
159 an exclusion contained in an automobile insurance policy, including
160 any such policy in use or approved for use in this state prior to July 1,
161 2016, that excludes coverage for vehicles used to transport property or
162 passengers for a fee or available for hire by the public.

163 (3) In the event of a claim against a transportation network company
164 driver in which there is disagreement between such driver's insurance
165 company and the transportation network company's insurance
166 company as to which insurance company has the duty to defend, the
167 insurance company issuing the transportation network company's
168 automobile insurance policy shall have the duty to defend such claim.

169 (f) Prior to initially permitting a transportation network company
170 driver to accept a rider request for a prearranged ride through the
171 transportation network company's digital network, a transportation
172 network company shall disclose, in writing, to such driver the
173 following:

174 (1) The insurance coverage, including the types of coverage and the

175 limits for each type of coverage, that the transportation network
176 company provides during the period such driver is using his or her
177 personal vehicle while logged on to the transportation network
178 company's digital network and available to receive requests for
179 prearranged rides or engaged in the provision of a prearranged ride;

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

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

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

190 The term "taxicab" includes any motor vehicle operated upon any
191 street or highway or on call or demand accepting or soliciting
192 passengers indiscriminately for transportation for hire between such
193 points along streets or highways as may be directed by the passenger
194 or passengers being transported, provided nothing in this chapter shall
195 be construed to include, as a taxicab, a motor bus, as defined in section
196 14-1, [or] a motor vehicle in livery service when such motor vehicle is
197 hired for a specific trip or trips and is subject to the direction of the
198 person hiring the same, or a personal vehicle operated by a
199 transportation network company driver, as both terms are defined in
200 section 1 of this act.

201 Sec. 3. Section 13b-101 of the general statutes is repealed and the
202 following is substituted in lieu thereof (*Effective July 1, 2016*):

203 The term "motor vehicle in livery service" includes every motor
204 vehicle used by any person, association, limited liability company or
205 corporation which represents itself to be in the business of transporting

206 passengers for hire, except (1) any motor bus and any taxicab operated
 207 under a certificate of public convenience and necessity issued by the
 208 Department of Transportation, (2) any school bus, as defined in section
 209 14-275, or student transportation vehicle, as defined in section 14-212,
 210 when used for the transportation of children under the age of twenty-
 211 one years, (3) any school bus, as defined in section 14-275, when used
 212 for the transportation of passengers (A) by virtue of a contract with
 213 any public or private institution of higher education, (B) pursuant to a
 214 contract for service to a special event held at a location or facility
 215 which is not open for business on a daily basis throughout the year,
 216 not to exceed a period of ten days, or (C) pursuant to a contract with a
 217 municipality for which the carrier provides school transportation
 218 service, (4) any motor vehicle operated by or through a community-
 219 based regional transportation system for the elderly established
 220 pursuant to section 55 of public act 05-280, [and] (5) any motor vehicle
 221 operated by or through a community-based regional transportation
 222 system for the visually impaired, and (6) any personal vehicle operated
 223 by a transportation network company driver, as both terms are defined
 224 in section 1 of this act."

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-101