



**Property Casualty Insurers
Association of America**

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**Comments to the House Insurance Committee
In Support of HB 2249
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I am Kelly Campbell, Vice President, State Government Relations for The Property Casualty Insurers Association of America (PCI). PCI is comprised of nearly 1,000 member companies that write \$183 billion in annual premium, or 35 percent of the nation's property casualty premium volume and 45% of the total personal auto business in the nation. PCI members represent 39 percent of the total property and casualty insurance business in Kansas. PCI appreciates the opportunity to provide comments in support of HB 2249.

The Property Casualty Insurers Association of America supports innovation and competitive markets within the transportation and insurance industries, however the Transportation Network Companies (TNC) commercial transportation network programs must be coupled with appropriate consumer protection including insurance coverage to provide a firm foundation for growth. We have seen states such as Colorado and California pass the type of frame work outlined in HB 2249 for insurance coverage and the insurance market has responded by providing insurance coverage options to protect TNC drivers and passengers.

It is vitally important the vehicles used in transportation network services are properly insured and the public is protected. The insurance industry wants to ensure the personal and financial safety of consumers, passengers and drivers is protected.

HB 2249 has the following key elements:

- Ensures there are no potential coverage gaps for TNC drivers and passengers by requiring a policy that specifically provides primary coverage for transportation network company services either through endorsement on the personal auto policy or through coverage provided by the TNC during the entirety of commercial activity which means from when the app is turned on and the drivers is available to accept passengers to when the app is turned off.
- Clarifies there is no coverage on the personal auto policy. This avoids coverage disputes and avoids the drivers and passengers from being put in the middle of any potential coverage dispute.
- Allows for the greatest flexibility as to how the insurance coverage for the driver and passenger is provided. HB 2249 does not mandate coverage be provided by the

TNC, it simply states there must be coverage for the driver and passenger and provides options to meet that coverage requirement.

There are three phases of Transportation Network Company Activity: Period 1, when the driver has the app on, but is not matched with a rider; Period 2, when the driver and rider are matched via the app and the driver is going to pick the passenger up; Period 3, when the passenger is actually in the vehicle. Without statutes to clarify the insurance coverage related to Transportation Network Companies, there may be coverage gaps for TNC drivers and passengers. TNC drivers are particularly at risk of coverage disputes while the app is on and they are available for hire, but do not yet have a passenger in their vehicle (Period 1). They may find there is no coverage for their injuries or getting their vehicle repaired if there was an accident. HB 2249 will provide clarity and coverage during all phases of Transportation Network Company Activity.

The goal of HB 2249 is to ensure TNC drivers and passengers have appropriate insurance coverage and allow the insurance and TNC marketplace to grow. I respectfully request your support of HB 2249. Thank you and I'll be happy to stand for questions.

Kansas HB 2249 Annotated

1	Transportation Network Companies :	Comments - Relation to Essential Elements
2	1(a) The provisions of sections 1 through 8, and amendments thereto, shall be known and may be cited as the transportation network company driver and passenger protection act. Notwithstanding any other provision of chapter 40 and chapter 66 of the Kansas Statutes Annotated, and amendments thereto, this act shall apply to transportation network companies.	
3	(b) As used in the transportation network company driver and passenger protection act:	Definitions
1	(1) As used in this article, "participating driver" or "driver" is any person who uses a vehicle in connection with a transportation network company's online-enabled application or platform to connect with passengers	
2	(2) As used in this article, a "transportation network company" is an organization, including, but not limited to, a corporation, limited liability company, partnership, sole proprietor, or any other entity, operating in (state) that provides prearranged transportation services for compensation using an online-enabled application or platform to connect passengers with drivers using a personal vehicle.	
3	(c) As used in this article, "transportation network company insurance" is an insurance policy that specifically covers a driver's use of a vehicle in connection with a transportation network company's online-enabled application or platform.	
4	Sec 2. A transportation network company shall disclose in writing to participating drivers, as part of its agreement with those drivers, the insurance coverage and limits of liability that the transportation network company provides while the driver uses a vehicle in connection with a transportation network company's online-enabled application or platform, and shall advise a participating driver in writing that the driver's personal automobile insurance policy may not provide any required or optional coverage because the driver uses a vehicle in connection with a transportation network company's online-enabled application or platform.	TNCs disclose the terms of their liability coverage to drivers and notify drivers that the driver's personal auto insurance policy may not cover TNC activity.
5	Sec 3 (a) A transportation network company and any participating driver shall maintain transportation network company insurance as provided in this section.	TNCs and/or Driver maintain insurance for TNC related driving
6	(b) The following requirements shall, apply to transportation network company insurance from the moment a participating driver accepts a ride request on the transportation network company's online-enabled application or platform until the driver completes the transaction on the online-enabled application or platform or until the ride is complete, whichever is later:	<u>Establishes insurance requirements for the time period of "match to completion of ride" (aka "Periods 2&3")</u>
7	(1) Transportation network company insurance shall provide primary liability coverage and in the amount of \$1,000,000 for death, bodily injury, and property damage.	Liability limits for this time period are set at \$1 million. These are the same limits as other laws including Colorado and California. They also match the existing policy of the TNC's.
8	(2) Transportation network company insurance coverage provided under this subdivision shall also provide:	Additional coverages that must be provided by the TNC:
9	(A) Uninsured motorist coverage and underinsured motorist coverage in the amount of \$1,000,000.	Uninsured and underinsured motorist coverage in the amount of \$1 million
10	(B) Personal injury protection under the KS automobile injury reparations act.	PIP

11	(C) Collision physical damage coverage and comprehensive physical damage coverage if the participating driver carries those coverages on their personal auto policy unless that insurer is providing transportation network company insurance to the driver.	Comprehensive and Collision coverage if driver carries on their personal policy.
12	(3) The requirements for the coverage required by this paragraph may be satisfied by any of the following:	Outlines how the coverage requirement must be met
13	(A) Transportation network company insurance maintained by a participating driver.	Driver carries their own insurance
14	(B) Transportation network company insurance maintained by a transportation network company.	The TNC carries the insurance
15	(C) Any combination of subparagraphs (A) and (B).	Or a combination of the two.
16	(D) A transportation network company may meet its obligations under this subdivision through a policy obtained by a participating driver pursuant to subparagraph (A) or (C) of only if the transportation network company verifies that the policy is maintained by the driver and is specifically written to cover the driver's use of a vehicle in connection with a transportation network company's online-enabled application or platform.	This provision states that a TNC can allow their drivers to satisfy the TNC FR only if the TNC verifies coverage.
17	(4) The insurer providing transportation network company insurance under this subdivision shall have the duty to defend and indemnify the insured.	Clarifies whichever insurance is providing TNC Insurance has duty to defend. This protects the underlying personal auto policy from having the duty to defend as a result of using the vehicle for commercial purposes.
18	(c) The following requirements shall apply to transportation network company insurance from the moment a participating driver logs on to the transportation network company's online-enabled application or platform until the driver accepts a request to transport a passenger, and from the moment the driver completes the transaction on the online-enabled application or platform or the ride is complete, whichever is later, until the driver either accepts another ride request on the online-enabled application or platform or logs off the online-enabled application or platform:	<u>Establishes insurance requirements from "app on to match" & "between rides" (aka "Period 1")</u>
19	(1) Transportation network company insurance shall provide primary liability coverage and in the amount of at least \$100,000 for death and bodily injury per person, \$300,000 for death and bodily injury per incident, and \$50,000 for property damage.	Establishes the liability limits of 100/300/50. Limits required by other states that have passed TNC legislation: - CA = 100/300/50 - CO = 50/100/30 - Note: Both states require limits higher than their minimum FR limits
20	(2) Transportation network company insurance coverage provided under this subdivision shall also provide:	Additional coverages that must be provided during Period 1:
21	(A) Uninsured motorist coverage and underinsured motorist coverage in the amount of \$25,000 per person and \$50,000 per accident	UM/UIM 25/50
22	(B) Personal injury protection under the KS automobile injury reparations act.	PIP
23	(C) Collision physical damage coverage and comprehensive physical damage coverage if the participating driver carries those coverages on their personal auto policy unless that insurer is providing transportation network company insurance to the driver.	Comprehensive and Collision coverage if driver carries on their personal policy.

24	(3) The requirements for the coverage required by this paragraph may be satisfied by any of the following:	How the coverage requirements can be met:
25	(A) Transportation network company insurance maintained by a participating driver.	The driver can carry the coverage
26	(B) Transportation network company insurance maintained by a transportation network company that provides coverage in the event a participating driver's insurance policy under subparagraph (A) has ceased to exist or has been canceled, or the participating driver does not otherwise maintain transportation network company insurance pursuant to this subdivision.	The TNC if the driver's coverage has ceased to exist.
27	(C) Any combination of subparagraphs (A) and (B).	Or any combination of the two.
28	(4) The insurer providing transportation network company insurance under this subdivision shall have the duty to defend and indemnify the insured.	TNC insurance provider has duty to defend Editorial Comment: May be more important in some jurisdictions than others.
29	(d) Coverage under a transportation network company insurance policy shall not be dependent on a personal automobile insurance policy first denying a claim nor shall a personal automobile insurance policy be required to first deny a claim.	Clarifies whichever insurance is providing TNC Insurance has duty to defend. This protects the underlying personal auto policy from having the duty to defend as a result of using the vehicle for commercial purposes
30	(e) In every instance where transportation network company insurance maintained by a participating driver to fulfill the insurance obligations of this section has lapsed or ceased to exist, the transportation network company shall provide the coverage required by this section beginning with the first dollar of a claim.	If TNC coverage is provided by the driver and that coverage lapses, the TNC must provide dollar one coverage. This also prohibits "contingent" coverage by the TNC's.
31	Sec 4. (a) Nothing in this section shall be construed to require a private passenger automobile insurance policy to provide primary or excess coverage during the period of time from the moment a participating driver in a transportation network company logs on to the transportation network company's online-enabled application or platform until the driver logs off the online-enabled application or platform or the passenger exits the vehicle, whichever is later.	Clarifies personal auto policies do not provide TNC coverage.
32	(b) During the period of time from the moment a participating driver in a transportation network company logs on to the transportation network company's online-enabled application or platform until the driver logs off the online-enabled application or platform or until the ride is complete, whichever is later, all of the following shall apply:	Provides additional protections for the personal auto policy while the vehicle is being used for commercial purposes (Periods 1, 2 & 3 or app on to app off)
33	(1) The participating driver's or the vehicle owner's personal automobile insurance policy shall not provide any coverage to the participating driver, vehicle owner, or any third party, unless the policy expressly provides for that coverage during the period of time to which this subdivision is applicable, with or without a separate charge, or the policy contains an amendment or endorsement to provide that coverage, for which a separately stated premium is charged.	Clarifies the personal auto policy does not provide TNC coverage unless the policy expressly provides TNC coverage.
34	(2) The participating driver's or the vehicle owner's personal automobile insurance policy shall not have the duty to defend or indemnify for the driver's activities in connection with the transportation network company, unless the policy expressly provides otherwise for the period of time to which this subdivision is applicable, with or without a separate charge, or the policy contains an amendment or endorsement to provide that coverage, for which a	Clarifies the personal auto policy does not have a duty to defend for a loss arising out of TNC activity unless the policy expressly provides TNC coverage.

	separately stated premium is charged.	
35	(c) Notwithstanding any other law, a personal automobile insurer may, at its discretion, offer an automobile liability insurance policy, or an amendment or endorsement to an existing policy that covers a private passenger vehicle, station wagon type vehicle, sport utility vehicle, or similar type of vehicle with a passenger capacity of eight persons or less, including the driver, while used in connection with a transportation network company's online-enabled application or platform only if the policy expressly provides for the coverage during the time period specified in subdivision (b), with or without a separate charge, or the policy contains an amendment or an endorsement to provide that coverage, for which a separately stated premium may be charged.	Allows personal auto insurers, at their option, offer TNC coverage.
36	Sec 5 (a). In a claims coverage investigation, a transportation network company or its insurer shall cooperate with insurers that are involved in the claims coverage investigation to facilitate the exchange of information, including the provision of dates and times at which an accident occurred that involved a participating driver and the precise times that the participating driver logged on and off the transportation network company's online-enabled application or platform.	TNCs shall cooperate with personal insurers coverage investigation
37	(b) A transportation network company or its insurer shall provide upon written request of the driver's personal vehicle insurer for a claims coverage investigation, all data and records associated with such personal vehicle while providing transportation network company services within 15 calendar days of such insurer's written request.	Requires TNC to provide claims related information within 15 days.
38	(c) All records, including electronic records, showing the time when a driver has logged in as active or logged out as inactive on the transportation network company's online-enabled application or platform, and any data or reports with information about the motor vehicle's involvement in a motor vehicle accident, that are maintained by the transportation network company shall be maintained for a minimum of five years after the date of loss is reported to the transportation network company.	Specifies what information the TNC must keep and for how long.
39	Sec 6. A participating driver of a transportation network company shall carry proof of transportation network company insurance coverage with him or her at all times during his or her use of a vehicle in connection with a transportation network company's online-enabled application or platform. In the event of an accident, a participating driver shall provide this insurance coverage information to any other party involved in the accident, and to a police officer, upon request.	Drivers must carry proof of TNC insurance.
40	Sec 7. Notwithstanding any other law affecting whether one or more policies of insurance that may apply with respect to an occurrence is primary or excess, this article determines the obligations under insurance policies issued to transportation network companies and, if applicable, drivers using a vehicle in connection with a transportation network company's online-enabled application or platform.	Addresses coordination of benefits between policies.
41	Sec 8. A transportation network company shall assume liability including the costs of defense and indemnification for a claim in which a dispute exists as to whether the loss or injury giving rise to the claim occurred while an insured vehicle is available to provide transportation network services. The transportation network company shall notify the registered owner and the registered owner's insurer of any such dispute within 25 days of receiving notice of the accident that gives rise to such claim.	Outlines the obligations of a TNC in the case of a dispute.