

### 3rd Sub. H.B. 24

## INSURANCE MODIFICATIONS

Senator **Curtis S. Bramble** proposes the following amendments:

1. *Page 2, Lines 34 through 35:*

- 34           ▶       addresses provisions related to fidelity bonds;  
              ▶ **addresses transportation network companies or drivers;**  
35           ▶       addresses trustee groups;

2. *Page 3, Lines 72 through 73:*

- 72    Other Special Clauses:  
73        This bill provides a special effective date.

**This bill provides a coordination clause.**

3. *Page 5, Lines 129 through 130:*

- 129           31A-16-119, Utah Code Annotated 1953  
              **31A-22-322, Utah Code Annotated 1953**  
130           31A-25-302.5, Utah Code Annotated 1953

4. *Page 5, Line 139:*

- 139           31A-37-604, as enacted by Laws of Utah 2004, Chapter 312

**Utah Code Sections Affected by Coordination Clause:**

**13-51-108, Utah Code Annotated 1953**

**31A-22-322, Utah Code Annotated 1953**

5. *Page 88, Lines 2718 through 2719*

*Senate 2nd Reading Amendments*

*3-4-2015:*

- 2718    the date the insurer first denies all or part of a claim made under the fidelity bond.

**Section 26. Section 31A-22-322 is enacted to read:**

**31A-22-322. Transportation network company or driver.**

**(1) As used in this section:**

**(a) "Prearranged ride" means a period of time that:**

**(i) begins when the transportation network driver has accepted a passenger's request for a ride through the transportation network company's software application; and**

- (ii) ends when the passenger exits the transportation network driver's vehicle.
- (b) "Software application" means an Internet-connected software platform, including a mobile application, that a transportation network company uses to:
- (i) connect a transportation network driver to a passenger; and
- (ii) process passenger requests.
- (c) "Transportation network company" means an entity that:
- (i) uses a software application to connect a passenger to a transportation network driver providing transportation network services;
- (ii) is not:
- (A) a taxicab, as defined in Section 53-3-102; or
- (B) a motor carrier, as defined in Section 72-9-102; and
- (iii) does not own, control, operate, or manage the vehicle used to provide the transportation network services.
- (d) "Transportation network driver" means an individual who:
- (i) pays a fee to a transportation network company, and, in exchange, receives a connection to a potential passenger from the transportation network company; and
- (ii) operates a motor vehicle that:
- (A) the individual owns, leases, or is authorized to use; and
- (B) the individual uses to provide transportation network services.
- (e) "Transportation network services" means, for a transportation network driver providing services through a transportation network company:
- (i) providing a prearranged ride; or
- (ii) being engaged in a waiting period.
- (f) "Waiting period" means a period of time when:
- (i) a transportation network driver is logged into a transportation network company's software application; and
- (ii) the transportation network driver is not engaged in a prearranged ride.
- (2) A transportation network company or a transportation network driver shall maintain insurance that covers, on a primary basis, a transportation network driver's use of a vehicle during a prearranged ride and that includes:
- (a) an acknowledgment that the transportation network driver is using the vehicle in connection with a transportation network company during a prearranged ride or that the transportation network driver is otherwise using the vehicle for a commercial purpose;
- (b) liability coverage for a minimum amount of \$1,000,000 per occurrence;
- (c) personal injury protection to the extent required under Sections 31A-22-306 through 31A-22-309;
- (d) uninsured motorist coverage where required by Section 31A-22-305; and
- (e) underinsured motorist coverage where required by Section 31A-22-305.3.
- (3) A transportation network company or a transportation network driver shall maintain insurance that covers, on a primary basis, a transportation network driver's use of a vehicle during a waiting period and that includes:

- (a) an acknowledgment that the transportation network driver is using the vehicle in connection with a transportation network company during a waiting period or that the transportation network driver is otherwise using the vehicle for a commercial purpose;
- (b) liability coverage in a minimum amount, per occurrence, of:
- (i) \$50,000 to any one individual;
- (ii) \$100,000 to all individuals; and
- (iii) \$30,000 for property damage;
- (c) personal injury protection to the extent required under Sections 31A-22-306 through 31A-22-309;
- (d) uninsured motorist coverage where required by Section 31A-22-305; and
- (e) underinsured motorist coverage where required by Section 31A-22-305.3.
- (4) A transportation network company or a transportation network driver shall maintain comprehensive and collision insurance that covers, on a primary or contingent basis, a transportation network driver's use of a vehicle while providing transportation network services, and that includes:
- (a) an acknowledgment that the transportation network driver is using the vehicle in connection with a transportation network company during a prearranged ride or waiting period, or that the transportation network driver is otherwise using the vehicle for a commercial purpose; and
- (b) coverage limits that are at least equal to such coverage limits, if any, for the personal automobile insurance maintained by the vehicle's owner and reported to the transportation network company.
- (5) A transportation network company and a transportation network driver may satisfy the requirements of Subsections (2), (3), and (4) by:
- (a) the transportation network driver purchasing coverage that complies with Subsections (2), (3), and (4);
- (b) the transportation network company purchasing, on the transportation network driver's behalf, coverage that complies with Subsections (2), (3), and (4); or
- (c) a combination of Subsections (5)(a) and (b).
- (6) An insurer may offer to a transportation network driver a personal automobile liability insurance policy, or an amendment or endorsement to a personal automobile liability policy, that:
- (a) covers a private passenger motor vehicle while used to provide transportation network services; and
- (b) satisfies the coverage requirements described in Subsection (2), (3) or (4).
- (7) Nothing in this section requires a personal automobile insurance policy to provide coverage while a driver is providing transportation network services.
- (8) If a transportation network company does not purchase a policy that complies with Subsections (2), (3), and (4) on behalf of a transportation network driver, the transportation network company shall verify that the driver has purchased a policy that complies with Subsections (2), (3), and (4).
- (9) An insurance policy that a transportation network company or a transportation network driver maintains under Subsection (2) or (3):
- (a) satisfies the security requirements of Section 41-12a-301; and
- (b) may, along with insurance maintained under Subsection (4), be placed with:
- (i) an insurer that is certified under Section 31A-4-103; or
- (ii) a surplus lines insurer licensed under Section 31A-23a-104.

(10) An insurer that provides coverage for a transportation network driver explicitly for the transportation network driver's transportation network services under Subsection (2) or (3) shall have the duty to defend a liability claim arising from an occurrence while the transportation network driver is providing transportation network services.

(11)(a) If insurance a transportation network driver maintains under Subsection (2), (3), or (4) lapses or ceases to exist, a transportation network company shall provide coverage complying with Subsection (2), (3), or (4) beginning with the first dollar of a claim.

(b) Subsection (11)(a) does not apply to comprehensive or collision insurance otherwise required under Subsection (4) if, at the time of a claim for damage to a vehicle being used to provide transportation network services, there is no outstanding lien on the vehicle.

(12) (a) An insurance policy that a transportation network company or transportation network driver maintains under Subsection (2) or (3) may not provide that coverage is dependent on a transportation network driver's personal automobile insurance policy first denying a claim.

(b) Subsection (12)(a) does not apply to coverage a transportation network company provides under Subsection (10) in the event a transportation network driver's coverage under Subsection (2) or (3) lapses or ceases to exist.

(13) A personal automobile insurer:

(a) notwithstanding Section 31A-22-302, may offer a personal automobile liability policy that excludes coverage for a loss that arises from the use of the insured vehicle to provide transportation network services; and

(b) does not have the duty to defend or indemnify a loss if an exclusion described in Subsection (13)(a) excludes coverage according to the policy's terms.

(14) If a transportation network company's insurer insures a vehicle with a lien against the vehicle, and the transportation network company's insurer covers a claim regarding the vehicle under comprehensive or collision coverage, the transportation network company shall direct the transportation network company's insurer to issue the payment for the claim:

(a) directly to the person that is repairing the vehicle; or

(b) jointly to the owner of the vehicle and the primary lienholder.

2719 Section ~~{26}~~ 27. Section 31A-22-504 is amended to read:

**Renumber remaining sections accordingly.**

6. Page 149, Line 4606:

4606 (p) Section 31A-16-119.

Section 57. Coordinating H.B. 24 and S.B. 294 -- Substantive amendments.

If this H.B. 24 and S.B. 294, Transportation Network Company Amendments, both pass and become law, it is the intent of the Legislature that the Office of Legislative Research and General Counsel, in preparing the Utah Code database for publication do the following:

(1) delete Section 13-51-108 enacted in S.B. 294;

(2) delete Subsection (1) of Section 31A-22-322 enacted in this bill and renumber remaining subsections

accordingly and change internal cross references;

(3) delete Subsection (14) enacted in Section 31A-22-322; and

(4) renumber Section 31A-22-322 enacted in this bill to be Section 13-51-108.