

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Commerce and Economic Development to which was  
3 referred House Bill No. 143 entitled “An act relating to automobile insurance  
4 requirements and transportation network companies” respectfully reports that it  
5 has considered the same and recommends that the bill be amended by striking  
6 out all after the enacting clause and inserting in lieu thereof the following:

7 Sec. 1. 8 V.S.A. chapter 113, subchapter 5 is added to read:

8 Subchapter 5. Transportation Network Companies

9 § 4256a. TRANSPORTATION NETWORK COMPANIES

10 (a) Definitions. As used in this subchapter:

11 (1) “Digital network” or “network” means any online-enabled  
12 application, software, website, or system offered or used by a transportation  
13 network company that enables the prearrangement of rides with transportation  
14 network drivers.

15 (2) “Personal vehicle” means a vehicle that is:

16 (A) used by a driver to provide a prearranged ride;

17 (B) owned, leased, or otherwise authorized for use by the driver; and

18 (C) not a taxicab, limousine, or other for-hire vehicle.

19 (3) “Prearranged ride” or “ride” means the provision of transportation  
20 by a driver to a transportation network rider, beginning when a driver accepts  
21 the rider’s request for a ride through a digital network controlled by a

1 company; continuing while the driver transports the rider; and ending when the  
2 last requesting rider departs from the vehicle. The term does not include:

3 (A) shared expense carpool or vanpool arrangements;

4 (B) use of a taxicab, limousine, or other for-hire vehicle; or

5 (C) a regional transportation.

6 (4) “Transportation network company” or “company” means a person  
7 that uses a digital network to connect riders to drivers who provide prearranged  
8 rides. A company shall not be deemed to control, direct, or manage the  
9 personal vehicles or drivers that connect to its digital network, except where  
10 agreed to by written contract.

11 (5) “Transportation network company driver” or “driver” means an  
12 individual who:

13 (A) receives connections to potential riders and related services from  
14 a transportation network company in exchange for payment of a fee to the  
15 company; and

16 (B) uses a personal vehicle to offer or provide a prearranged ride to  
17 riders upon connection through a digital network controlled by a transportation  
18 network company in exchange for compensation or payment of a fee.

19 (6) “Transportation network company rider” or “rider” means an  
20 individual who uses a company’s digital network to connect with a driver who

1 provides rides in his or her personal vehicle between points chosen by the  
2 rider.

3 (b) Company's financial responsibility.

4 (1) Beginning on or before July 1, 2017, a driver, or company on the  
5 driver's behalf, shall maintain primary automobile insurance that recognizes  
6 that the driver is a company driver or otherwise uses a vehicle to transport  
7 passengers for compensation and covers the driver while the driver is logged  
8 on to the company's digital network or while the driver is engaged in a  
9 prearranged ride.

10 (2)(A) The following automobile insurance requirements shall apply  
11 while a participating driver is logged on to the transportation network  
12 company's digital network and is available to receive transportation requests  
13 but is not engaged in a prearranged ride:

14 (i) primary automobile liability insurance in the amount of at least  
15 \$50,000.00 for death and bodily injury per person, \$100,000.00 for death and  
16 bodily injury per incident, and \$25,000.00 for property damage; and

17 (ii) any other State-mandated coverage under 23 V.S.A.  
18 chapter 11 § 941.

19 (B) The coverage requirements of this subdivision (2) may be  
20 satisfied by any of the following:

21 (i) automobile insurance maintained by the driver;

1                    (ii) automobile insurance maintained by the company; or  
2                    (iii) any combination of subdivisions (i) and (ii) of this  
3                    subdivision (2)(B).

4                    (3)(A) The following automobile insurance requirements shall apply  
5                    while a driver is engaged in a prearranged ride:

6                    (i) primary automobile liability insurance that provides at least  
7                    \$1,000,000.00 for death, bodily injury, and property damage; and  
8                    (ii) any other State-mandated coverage under 23 V.S.A.  
9                    ~~chapter 11~~ § 941.

10                   (B) The coverage requirements of this subdivision may be satisfied  
11                   by any of the following:

12                   (i) automobile insurance maintained by the driver;  
13                   (ii) automobile insurance maintained by the company; or  
14                   (iii) any combination of subdivisions (i) and (ii) of this  
15                   subdivision (3)(B).

16                   (4) If insurance maintained by a driver under subdivision (2) or (3) of  
17                   this subsection has lapsed or does not provide the required coverage, insurance  
18                   maintained by a company shall provide such coverage beginning with the first  
19                   dollar of a claim and shall have the duty to defend such claim.

20                   (5) Coverage under an automobile insurance policy maintained by the  
21                   company shall not be dependent on a personal automobile insurer first denying

1 a claim nor shall a personal automobile insurance policy be required to first  
2 deny a claim.

3 (6) Insurance required by this subsection may be placed with an insurer  
4 licensed under chapter 101 (insurance companies generally) or 138 (surplus  
5 lines insurance) of this title.

6 (7) Insurance satisfying the requirements of this subsection shall be  
7 deemed to satisfy the financial responsibility requirement for a motor vehicle  
8 under 23 V.S.A. § 800.

9 (8) A driver shall carry proof of coverage satisfying this section at all  
10 times during use of a vehicle in connection with a company's digital network.  
11 In the event of an accident, a driver shall provide this insurance coverage  
12 information to the directly interested parties, automobile insurers, and law  
13 enforcement, upon request. Upon such request, a driver shall also disclose  
14 whether he or she was logged on to the network or was on a prearranged ride at  
15 the time of an accident.

16 (c) Disclosures. A transportation network company shall disclose in  
17 writing to its drivers the following before they are allowed to accept a request  
18 for a prearranged ride on the company's digital network:

19 (1) the insurance coverage, including the types of coverage and the  
20 limits for each coverage, that the company provides while the driver uses a  
21 personal vehicle in connection with the company's network; and

1           (2) that the driver’s own automobile insurance policy, depending on its  
2           terms, might not provide any coverage while the driver is logged on to the  
3           company’s network and available to receive transportation requests or  
4           engaged in a prearranged ride.

5           (d)(1) Automobile insurers. Notwithstanding any other provision of law to  
6           the contrary, insurers that write automobile insurance in Vermont may exclude  
7           any and all coverage afforded under a policy issued to an owner or operator of  
8           a personal vehicle for any loss or injury that occurs while a driver is logged on  
9           to a transportation network company’s digital network or while a driver  
10           provides a prearranged ride. This right to exclude all coverage may apply to  
11           any coverage in an automobile insurance policy including:

12                   (A) liability coverage for bodily injury and property damage;

13                   (B) personal injury protection coverage;

14                   (C) uninsured and underinsured motorist coverage;

15                   (D) medical payments coverage;

16                   (E) comprehensive physical damage coverage; and

17                   (F) collision physical damage coverage.

18           (2) Nothing in this subsection implies or requires that a personal  
19           automobile insurance policy provide coverage while the driver is logged on to  
20           a company’s digital network, while the driver is engaged in a prearranged ride.

1 or while the driver otherwise uses a vehicle to transport passengers for  
2 compensation.

3 (3) Nothing in this section shall be construed to require an insurer to use  
4 any particular policy language or reference to this section in order to exclude  
5 any and all coverage for any loss or injury that occurs while a driver is logged  
6 on to a company's digital network or while a driver provides a prearranged  
7 ride.

8 (4) Nothing in this subsection is deemed to preclude an insurer from  
9 providing primary or excess coverage for the driver's vehicle, if it chooses to  
10 do so by contract or endorsement.

11 (5) Insurers that exclude the coverage described under subsection (b) of  
12 this section shall have no duty to defend or indemnify any claim expressly  
13 excluded thereunder.

14 (6) Nothing in this section is deemed to invalidate or limit an exclusion  
15 contained in a policy, including any policy in use or approved for use in  
16 Vermont prior to the enactment of this section, that excludes coverage for  
17 vehicles used to carry persons or property for a charge or available for hire by  
18 the public.

19 (7) An insurer that defends or indemnifies a claim against a driver that is  
20 excluded under the terms of its policy, shall have a right of contribution against  
21 other insurers that provide automobile insurance to the same driver in

1 satisfaction of the coverage requirements of subsection (b) of this section at the  
2 time of loss.

3 (8) In a claims coverage investigation, transportation network  
4 companies and any insurer potentially providing coverage under subsection (b)  
5 of this section shall cooperate to facilitate the exchange of relevant information  
6 with directly involved parties and any insurer of the driver, if applicable,  
7 including the precise times that a driver logged on and off the company's  
8 digital network in the 12 hour period immediately preceding and immediately  
9 following the accident, and shall disclose to one another a clear description of  
10 the coverage, exclusions, and limits provided under any automobile insurance  
11 maintained under subsection (b) of this section, as applicable shall immediately  
12 provide upon request by directly involved parties or any insurer of the  
13 transportation network company driver, if applicable, the precise times that a  
14 transportation network company driver logged on and off of the transportation  
15 network company's digital network in the twelve hour period immediately  
16 preceding and in the twelve hour period immediately following the accident.  
17 Insurers providing coverage under subsection (b) of this section shall disclose,  
18 upon request by any other insurer involved in the particular claim, the  
19 applicable charges, exclusions, and limits provided under any automobile  
20 insurance maintained in order to satisfy the requirements of subsection (b) of  
21 this section.



1       Sec. 2. EFFECTIVE DATE

2           This act shall take effect on passage.

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9           (Committee vote: \_\_\_\_\_)

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Representative \_\_\_\_\_

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FOR THE COMMITTEE