

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 316

BY WAYS AND MEANS COMMITTEE

AN ACT

1 RELATING TO TRANSPORTATION NETWORK COMPANIES; AMENDING CHAPTER 25, TITLE
2 41, IDAHO CODE, BY THE ADDITION OF NEW SECTIONS 41-2517 THROUGH 41-2521,
3 IDAHO CODE, TO PROVIDE A SHORT TITLE, TO DEFINE TERMS, TO ESTABLISH RE-
4 QUIREMENTS REGARDING FINANCIAL RESPONSIBILITY AND PROOF OF INSURANCE
5 COVERAGE, TO REQUIRE CERTAIN DISCLOSURES AND TO ESTABLISH PROVISIONS
6 REGARDING AUTOMOBILE INSURANCE; AND AMENDING SECTION 49-3703, IDAHO
7 CODE, AS ADDED BY SECTION 1, HOUSE BILL NO. 262, AS ENACTED BY THE FIRST
8 REGULAR SESSION OF THE SIXTY-THIRD IDAHO LEGISLATURE, TO REVISE A DEF-
9 INITION.
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11 Be It Enacted by the Legislature of the State of Idaho:

12 SECTION 1. That Chapter 25, Title 41, Idaho Code, be, and the same is
13 hereby amended by the addition thereto of NEW SECTIONS, to be known and des-
14 ignated as Sections 41-2517 through 41-2521, Idaho Code, and to read as fol-
15 lows:

16 41-2517. SHORT TITLE. Sections 41-2517 through 41-2521, Idaho Code,
17 shall be known and may be cited as the "Idaho Transportation Network Insur-
18 ance Act."

19 41-2518. DEFINITIONS. As used in this act:

20 (1) "Digital network" means any online enabled application, software,
21 website or system offered or utilized by a transportation network company
22 that enables the prearrangement of rides with transportation network com-
23 pany drivers.

24 (2) "Driver" or "transportation network company driver" means an indi-
25 vidual who:

26 (a) Receives connections to potential passengers and related services
27 from a transportation network company in exchange for payment of a fee
28 to the transportation network company; and

29 (b) Uses a personal vehicle to provide services for riders matched
30 through a digital network controlled by a transportation network com-
31 pany in return for compensation or payment of a fee.

32 (3) "Personal vehicle" means a vehicle that is used by a transportation
33 network company driver in connection with providing a prearranged ride and
34 is:

35 (a) Owned, leased or otherwise authorized for use by the transportation
36 network company driver; and

37 (b) Not a taxicab, limousine or for-hire vehicle.

38 (4) "Prearranged ride" means the provision of transportation by a
39 driver to a rider, beginning when a driver accepts a ride requested by a rider
40 through a digital network controlled by a transportation network company,
41 continuing while the driver transports a requesting rider and ending when

1 the last requesting rider departs from the personal vehicle. A prearranged
 2 ride does not include transportation provided using a taxi, limousine or
 3 other for-hire vehicle.

4 (5) "Rider" or "transportation network company rider" means an indi-
 5 vidual or persons who use a transportation network company's digital network
 6 to connect with a transportation network driver who provides prearranged
 7 rides to the rider in the driver's personal vehicle between points chosen by
 8 the rider.

9 (6) "Transportation network company" means a corporation, partner-
 10 ship, sole proprietorship or other entity that is operating in Idaho that
 11 uses a digital network to connect transportation network company riders to
 12 transportation network company drivers who provide prearranged rides. A
 13 transportation network company shall not be deemed to control, direct or
 14 manage the personal vehicles or transportation network company drivers that
 15 connect to its digital network, except where agreed to by written contract.

16 41-2519. FINANCIAL RESPONSIBILITY OF TRANSPORTATION NETWORK COM-
 17 PANIES AND DRIVERS -- PROOF OF COVERAGE. (1) Effective July 1, 2015, and
 18 thereafter, a transportation network company driver or transportation
 19 network company on the driver's behalf shall maintain primary automobile in-
 20 surance that recognizes that the driver is a transportation network company
 21 driver or otherwise uses a vehicle to transport passengers for compensation
 22 and covers the driver:

23 (a) While the driver is logged on to the transportation network com-
 24 pany's digital network; or

25 (b) While the driver is engaged in a prearranged ride.

26 (2) The following automobile insurance requirements shall apply while
 27 a participating transportation network company driver is logged on to the
 28 transportation network company's digital network and is available to re-
 29 ceive transportation requests but is not engaged in a prearranged ride:

30 (a) Primary automobile liability insurance in the amount of at least
 31 fifty thousand dollars (\$50,000) for death and bodily injury per per-
 32 son, one hundred thousand dollars (\$100,000) for death and bodily in-
 33 jury per incident and twenty-five thousand dollars (\$25,000) for prop-
 34 erty damage.

35 (b) The coverage requirements of this subsection may be satisfied by
 36 any of the following:

37 (i) Automobile insurance maintained by the transportation net-
 38 work company driver;

39 (ii) Automobile insurance maintained by the transportation net-
 40 work company; or

41 (iii) Any combination of the two (2).

42 (3) The following automobile insurance requirements shall apply while
 43 a transportation network company driver is engaged in a prearranged ride:

44 (a) Primary automobile liability insurance that provides at least one
 45 million dollars (\$1,000,000) for death, bodily injury and property dam-
 46 age;

47 (b) The coverage requirements of this subsection may be satisfied by
 48 any of the following:

1 (i) Automobile insurance maintained by the transportation net-
2 work company driver;

3 (ii) Automobile insurance maintained by the transportation net-
4 work company; or

5 (iii) Any combination of the two (2).

6 (4) If insurance maintained by a driver in subsection (2) or (3) of
7 this section has lapsed or does not provide the required coverage, insurance
8 maintained by a transportation network company shall provide the coverage
9 required by this section beginning with the first dollar of a claim and have
10 the duty to defend such claim.

11 (5) Coverage under an automobile insurance policy maintained by the
12 transportation network company shall not be dependent on a personal automo-
13 bile insurer first denying a claim nor shall a personal automobile insurance
14 policy be required to first deny a claim.

15 (6) Insurance required by this section may be placed with an insurer au-
16 thorized under title 41, Idaho Code, or with a surplus lines insurer eligible
17 under the surplus line law, sections 41-1211 through 41-1234, Idaho Code.

18 (7) Insurance satisfying the requirements of this section shall be
19 deemed to satisfy the financial responsibility requirement for a motor vehi-
20 cle under chapter 12, title 49, Idaho Code.

21 (8) A transportation network company driver shall carry proof of cover-
22 age satisfying subsections (2) and (3) of this section with him or her at all
23 times during his or her use of a vehicle in connection with a transportation
24 network company's digital network. In the event of an accident, a trans-
25 portation network company driver shall provide this insurance coverage in-
26 formation to the directly interested parties, automobile insurers and in-
27 vestigating police officers, upon request. Upon such request, a transporta-
28 tion network company driver shall also disclose to directly interested par-
29 ties, automobile insurers, and investigating police officers whether he or
30 she was logged on to the transportation network company's digital network or
31 on a prearranged ride at the time of an accident.

32 41-2520. DISCLOSURES. The transportation network company shall dis-
33 close in writing to transportation network company drivers the following be-
34 fore they are allowed to accept a request for a prearranged ride on the trans-
35 portation network company's digital network:

36 (1) The insurance coverage, including the types of coverage and the
37 limits for each coverage, that the transportation network company provides
38 while the transportation network company driver uses a personal vehicle in
39 connection with a transportation network company's digital network; and

40 (2) That the transportation network company driver's own automobile
41 insurance policy might not provide any coverage while the driver is logged on
42 to the transportation network company's digital network and is available to
43 receive transportation requests or is engaged in a prearranged ride depend-
44 ing on its terms.

45 41-2521. AUTOMOBILE INSURANCE. (1) Insurers that write automobile in-
46 surance in this state may exclude or continue to exclude any and all coverage
47 afforded under the owner's insurance policy for any loss or injury that oc-
48 curs while a driver is logged on to a transportation network company's digi-

1 tal network or while a driver provides a prearranged ride. This right to ex-
 2 clude all coverage may apply to any coverage included in an automobile insur-
 3 ance policy including, but not limited to:

- 4 (a) Liability coverage for bodily injury and property damage;
- 5 (b) Personal injury protection coverage;
- 6 (c) Uninsured and underinsured motorist coverage;
- 7 (d) Medical payments coverage;
- 8 (e) Comprehensive physical damage coverage; and
- 9 (f) Collision physical damage coverage.

10 Such exclusions shall apply notwithstanding any requirement under chapter
 11 12, title 49, Idaho Code. Nothing in this section implies or requires that
 12 a personal automobile insurance policy provide coverage while the driver is
 13 logged on to the transportation network company's digital network, while the
 14 driver is engaged in a prearranged ride or while the driver otherwise uses a
 15 vehicle to transport passengers for compensation. Nothing shall be deemed
 16 to preclude an insurer from providing coverage for the transportation net-
 17 work company driver's vehicle, if it so chose to do so by contract or endorse-
 18 ment.

19 (2) Automobile insurers that exclude the coverage described in section
 20 41-2519, Idaho Code, shall have no duty to defend or indemnify any claim ex-
 21 pressly excluded thereunder. Nothing in this act shall be deemed to invali-
 22 date or limit an exclusion contained in a policy, including any policy sold
 23 or approved for sale in Idaho prior to the enactment of this act. An auto-
 24 mobile insurer that defends or indemnifies a claim against a driver that is
 25 excluded under the terms of its policy shall have a right of contribution
 26 against other insurers that provide automobile insurance to the same driver
 27 in satisfaction of the coverage requirements of section 41-2519, Idaho Code,
 28 at the time of loss.

29 (3) In a claims coverage investigation, transportation network compa-
 30 nies and any insurer potentially providing coverage under section 41-2519,
 31 Idaho Code, shall cooperate to facilitate the exchange of relevant infor-
 32 mation with directly involved parties and any insurer of the transportation
 33 network company driver, if applicable, including the precise times that a
 34 transportation network company driver logged on and off of the transporta-
 35 tion network company's digital network in the twelve (12) hour period im-
 36 mediately preceding and in the twelve (12) hour period immediately follow-
 37 ing the accident and disclose to one another a clear description of the cov-
 38 erage, exclusions and limits provided under any automobile insurance main-
 39 tained under section 41-2519, Idaho Code.

40 SECTION 2. That Section 49-3703, Idaho Code, as added in Section
 41 1, House Bill No. 262, as enacted by the First Regular Session of the
 42 Sixty-third Idaho Legislature, be, and the same is hereby amended to read as
 43 follows:

44 49-3703. DEFINITIONS. As used in this chapter, the following terms
 45 have the meanings as stated:

46 (1) "Transportation network company" or "TNC" shall mean an entity op-
 47 erating in Idaho that meets the requirements of this chapter and uses a digi-
 48 tal network or software application service to connect passengers to trans-
 49 portation network company services provided by transportation network com-

1 pany drivers. A TNC is not deemed to own, control, operate or manage the ve-
2 hicles used by TNC drivers, and is not a taxicab association or a for-hire ve-
3 hicle owner.

4 (2) "Transportation network company (TNC) driver" shall mean an indi-
5 vidual who operates a motor vehicle that is:

6 (a) Owned, leased or otherwise authorized for use by the individual;

7 (b) Used by an individual who receives, in exchange for providing the
8 passenger a ride, compensation that exceeds the individual's cost to
9 provide the ride;

10 (c) Not a taxicab or for-hire vehicle; and

11 (ed) Used to provide transportation network company services.

12 (3) "Transportation network company (TNC) services" shall mean trans-
13 portation of a passenger between points chosen by the passenger and prear-
14 ranged with a TNC driver through the use of a TNC digital network or soft-
15 ware application. TNC services shall begin when a TNC driver accepts a re-
16 quest for transportation received through the TNC's digital network or soft-
17 ware application service, continue while the TNC driver transports the pas-
18 senger in the TNC driver's vehicle, and end when the passenger exits the TNC
19 driver's vehicle. TNC service is not a taxicab, for-hire vehicle or street
20 hail service.

21 (4) The definitions set forth in this section apply only to this chapter
22 and not to the law of insurance contained in title 41, Idaho Code.