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MEMORANDUM

To: Chairman Schwab and members of the House Committee on Insurance

From: David Wiese, Assistant Revisor

Date: 2/11/2015

Subject: HB 2249; Transportation network company driver and passenger protection act

House Bill No. 2249 would enact eight new sections of law to be known as the transportation network company driver and passenger protection act. This act 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.

The bill requires a transportation network company (TNC) and any participating driver to maintain transportation network company insurance. "Transportation network company insurance" means an insurance policy that specifically covers a driver's use of a vehicle in connection with a TNC's application or platform.

A TNC shall disclose in writing to its participating drivers, the insurance coverage and limits of liability that the TNC provides while the driver uses a vehicle in connection with a TNC's application or platform and shall advise a driver that the driver's personal auto insurance policy may not provide any required or optional coverage when the driver uses a vehicle in connection with a TNC application or platform.

In section 3(b), when a participating driver accepts a ride request on the TNC's application or platform until the driver completes the transaction on the application or platform or until the ride is complete, the following requirements apply:

1. Transportation network company insurance shall provide primary liability coverage in the amount of not less than \$1,000,000 for death, bodily injury and property damage.
2. Uninsured and underinsured motorist coverage in amount not less than \$1,000,000.
3. Personal injury protection under the Kansas automobile injury reparations act.
4. Collision physical damages coverage and comprehensive physical damage coverage if the participating driver carries those coverages on such driver's personal auto policy unless that insurer is providing transportation network company insurance to the driver.

In section 3(c), when a participating driver logs on to the TNC's application or platform until the driver accepts a request to transport a passenger, and from the moment the driver completes the transaction on the application or platform or the ride is complete, whichever is later, until the driver either accepts another ride request on the application or platform or logs off the application or platform the following requirements apply:

1. Primary liability coverage 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.
2. Uninsured motorist and underinsured motorist coverage in the amount of at least \$25,000 per person and \$50,000 per incident.
3. Personal injury protection under the Kansas automobile injury reparations act.
4. Collision physical damage coverage and comprehensive physical damage coverage if the participating driver carries such coverage on the driver's personal auto policy unless that insurer is providing transportation network company insurance to the driver.

If a driver's transportation network company policy has lapsed or ceased to exist, the TNC shall provide the coverage required by section 3 of the bill beginning with the first dollar of a claim.

A participating driver's personal auto insurance policy shall not be required to provide any coverage to the driver, vehicle owner or third party, during the period when the

driver logs on to the TNC application or platform until the driver logs off or until the ride is complete, unless the policy expressly provides for that coverage or the policy contains an amendment or endorsement to provide such coverage for which a separately stated premium is charged.

The bill allows a personal auto insurer, in its discretion, to offer an auto liability insurance policy that covers private vehicles with passenger capacity of eight persons or less, including the driver, while used in connection with a TNC's application or platform.

In a claims coverage investigation, a TNC or its insurer shall cooperate with insurers that are involved in the investigation to facilitate the exchange of information, including dates and times at which an accident occurred and the precise times the participating driver logged on and off the TNC application or platform. All information shall be provided within 15 calendar days of an insurer's written request.

The bill requires all records, including electronic records, showing the time when a driver logged in or logged out of the application or platform, and any data or reports with information about the vehicle's involvement in an accident, to be maintained by the TNC for a minimum of five years after the date a motor vehicle accident is reported to the TNC.

The bill requires participating drivers of a TNC to carry proof of transportation network company insurance at all times during such driver's use of a vehicle in connection with a TNC's online-enabled application or platform.

Finally, the bill requires a TNC to 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. A TNC shall notify the owner and the owner's insurer of any such dispute within 25 business days of receiving notice of the accident that gives rise to such claim.

The bill would become effective upon publication in the statute book.