

Testimony Relating to Transportation Network Companies
By Rob Dolton
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I am an attorney from Clackamas, Oregon. For almost forty years, I have represented people who have been injured in motor vehicle collisions. On behalf of the injured victims of these accidents, I support both HB 3379 and HB 3023. I am here today to address two components of each Bill: personal injury protection benefits or as we call it PIP and uninsured/underinsured motorist coverage or as we call it UM/UIM.

When you buy an auto insurance policy issued for delivery in the State of Oregon it will include PIP coverage and UM/UIM benefits. PIP coverage is automatically included in every Oregon policy unless the insured vehicle is "used as a public or livery conveyance". The quoted language has been interpreted to exclude Transportation Network Companies (TNCs) like UBER, LYFT and taxi companies from the requirement of PIP coverage.

PIP has two main parts that become available if you are in an accident and are injured. The coverage applies regardless of who caused the accident.

First, PIP provides up to \$15,000 to pay for your accident related medical care. Second, PIP pays for your lost wages at a rate of 70% of your average weekly wages up to a maximum of \$3000 a month for 1 year. These funds are available relatively quickly. This PIP coverage really helps victims in a financial predicament with lost wages or with medical providers hounding them for payment.

In practice, the PIP exclusion means that TNC drivers and their passengers are excluded from PIP coverage when they are hurt in an accident. The drivers are also excluded from workers compensation coverage as they are considered to be 'independent contractors'. The consequences of an injury producing collision can be financially and physically devastating for drivers and their families. Many drivers earn their livelihood from their work as a TNC driver. When they are too injured to drive AND excluded from wage reimbursement through PIP they have no income to at all to live on.

For passengers no PIP coverage comes a cruel surprise. When riding as a passenger in a TNC vehicle a person is not protected by the same mandatory PIP coverage that applies to every other passenger vehicle on the road. No PIP for TNC passengers means that the decision to take a TNC ride rather than one's own car results in no money for medical bills and no wage reimbursement if the passenger is forced to miss work. If that passenger is lucky enough to have their own insured vehicle sitting at home in the driveway PIP coverage can sometimes be available. However, recently insurance companies have been taking the position that they don't have to provide PIP to their insured when they are hurt as a passenger in a TNC vehicle BECAUSE THE PERSON WAS RIDING IN A 'FOR HIRE' VEHICLE.

Both Bills contain a requirement that the insurance policy mandated for TNC vehicles include uninsured and underinsured motorist benefits (UM/UIM). This coverage only applies when the at fault party has inadequate (or no) insurance coverage to fully compensate the injured party for their injuries.

The language in both Bills needs to be amended to require that policy limit coverage levels be the same for UM/UIM as specified for bodily injury liability. Clearly mandating identical policy limits will prevent a process known as 'opt down'. Current Oregon law allows an insured to voluntarily select a lower UM/UIM policy limit coverage level than is selected for bodily injury by signing a written waiver. The

final language of these Bills must prevent TNCs from having the option to opt down. Without amendment TNC companies would be allowed to “opt down” to coverage levels as low as \$25,000 per person or \$50,000 per incident. This would undoubtedly save the TNCs premium dollars but would defeat our policy goal which is to provide adequate coverage in the event of catastrophic injuries.

Passing these Bills, or a melded version of the two, will guarantee that no longer will TNCs be allowed to use our roadways to generate profits without being required to provide the same auto insurance consumer protections that apply to everyone else.

Should you require additional information, please feel free to contact Rob Dolton at 503 698 4444 or email: rob@robertgdolton.com.