



To: The Honorable Representative Nancy Nathanson
The Honorable Representative Lynn Findley
House Committee on Revenue

From: Mark Sektnan, Vice President

Re: **HB 3023 – Transportation Network Companies**
APCIA Position: Support

Chair Nathanson and Members of the Committee:

The American Property Casualty Insurers Association of America (APCIA) is pleased to **support HB 3023** that will help protect drivers, passengers, and the public whenever a transportation network company (TNC) like Uber or Lyft operates in Oregon. Representing nearly 60 percent of the U.S. property casualty insurance market, the American Property Casualty Insurance Association (APCIA) promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. APCIA members represent all sizes, structures, and regions, which protect families, communities, and businesses in the U.S. and across the globe.

Disclose to drivers upfront the insurance coverage or lack of coverage;

The TNC business model requires drivers to use their personal vehicles for commercial or livery activities. Therefore, the TNC bears the burden of letting their drivers know upfront that they alone may bear the insurance risk because their own personal insurance may not apply when engaging in commercial TNC activities.

Define TNC activities and clarify that TNC insurance is primary coverage; and

One of the policy gaps that remain unaddressed is when does a TNC service occur. A TNC service begins once the TNC driver turns on the “app,” which indicates that the driver is “open or available” for TNC services; and a TNC service ceases when the driver turns the “app off.” As a matter of sound public policy, TNC insurance should also provide primary insurance coverage whenever the driver has the “app on” because the driver has commenced commercial activity on behalf of the TNC company.

Defend TNC drivers while providing TNC services.

TNC drivers represent TNC companies when they are providing TNC services (e.g., pink mustache logo). Currently, when a TNC driver gets in an accident while providing TNC services it is unclear whether the TNC insurance liability coverage will defend and

indemnify the driver. HB 3023 clarifies that TNCs should step up to defend and indemnify their drivers.

*HB 3023 is carefully crafted legislation that attempts to clarify the insurance laws related to TNC activities without stifling business innovation. **For these reasons, we urge your “AYE” vote.***