

House Bill 3195

Sponsored by Representative SCHOUTEN (at the request of Darin Campbell for Radio Cab Company)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Establishes insurance coverage requirements for participating drivers that offer or provide pre-arranged rides to riders by means of digital networks. Permits insurers to exclude coverage for transportation network companies or participating drivers.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to insurance coverage for motor vehicles used in connection with transportation network
3 companies; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

SECTION 1. As used in sections 1 to 3 of this 2019 Act:

6 (1) **“Digital network” means an Internet-based software application, website or platform
7 that allows individuals who operate personal vehicles to communicate with potential pas-
8 sengers for the purpose of soliciting, arranging and providing prearranged rides.**

9 (2) **“Participating driver” means an individual who:**

10 (a) **Receives requests for prearranged rides from potential passengers through a trans-
11 portation digital network; and**

12 (b) **Offers or provides prearranged rides to passengers in exchange for a fee that the
13 passengers pay.**

14 (3) **“Personal vehicle” means a vehicle that an individual who operates the vehicle owns,
15 leases or has authorization to use.**

16 (4) **“Prearranged ride” means transportation that an individual who operates a personal
17 vehicle provides to one or more passengers between points that the passenger or passengers
18 choose that begins when the individual accepts a request for transportation and ends when
19 the last passenger exits the personal vehicle.**

20 (5)(a) **“Transportation network company” means an entity that is qualified to do business
21 in this state and that offers or operates a digital network.**

22 (b) **“Transportation network company” does not include an entity that:**

23 (A) **Provides taxicab services;**

24 (B) **Is engaged in the business of providing transportation along fixed routes or at regular
25 intervals;**

26 (C) **Is engaged in the business of providing for-hire transportation using motor vehicles
27 that the entity owns, operates or otherwise controls; or**

28 (D) **Contracts with a government entity or coordinated care organization, as defined in
29 ORS 414.025, to serve Medicaid recipients.**

30 **SECTION 2. (1) A transportation network company or a participating driver, or both the**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 transportation network company and the participating driver in combination, shall obtain
2 and keep in force at all times during which the participating driver is connected to a digital
3 network and is available to receive requests for or is providing a prearranged ride a primary
4 automobile insurance policy that states explicitly that the insured is a participating driver
5 and provides:

6 (a) Coverage with a limit of \$1 million for death, bodily injury and property damage;

7 (b) Uninsured motorist coverage as required under ORS 742.500 to 742.506, 742.508 and
8 742.510; and

9 (c) Personal injury protection coverage at the minimum coverage amounts required for
10 private passenger vehicles under ORS 742.518 to 742.542.

11 (2) If a participating driver's primary automobile insurance policy has lapsed or does not
12 provide the coverage required under this section, the transportation network company with
13 which the participating driver is associated shall provide the required coverage beginning
14 with the first dollar of any claim. The transportation network company's insurer has a duty
15 to defend against the claim.

16 (3) An automobile insurance policy that a participating driver or transportation network
17 company maintains under this section may not require as a condition of providing coverage
18 that the insurer deny a claim.

19 (4) A participating driver or transportation network company may obtain automobile in-
20 surance coverage that meets the requirements of this section only from:

21 (a) An insurer who has a certificate of authority to transact insurance in this state that
22 the Director of the Department of Consumer and Business Services issued under ORS
23 731.402; or

24 (b) An eligible surplus lines insurer, as defined in ORS 735.405, that has a credit rating
25 that is not less than a rating that the director specifies by rule.

26 (5) An insurance policy that meets the requirements set forth in this section satisfies the
27 financial responsibility requirements for motor vehicles that are set forth in ORS chapter
28 806.

29 (6) A participating driver shall comply with ORS 806.011 at all times during which the
30 participating driver provides a prearranged ride or is available to provide a prearranged ride.

31 (7) If an accident occurs at a time during which a participating driver is providing a
32 prearranged ride or is available to provide a prearranged ride, the participating driver shall:

33 (a) Provide proof of insurance that satisfies the requirements of this section and give all
34 required information about the automobile insurance policy to any other party involved in
35 the accident, to insurers of any other party involved in the accident and to police officers
36 that ask for the proof of insurance; and

37 (b) Disclose to a police officer that asks whether at the time of the accident the partic-
38 ipating driver was providing a prearranged ride or was available to provide a prearranged
39 ride but not engaged in providing a prearranged ride.

40 (8) A participating driver shall carry written or electronic proof of insurance that satis-
41 fies the requirements of this section at all times during which the participating driver is
42 operating a personal vehicle while connected to a digital network.

43 **SECTION 3.** (1) An insurer may deny or exclude from an automobile insurance policy any
44 and all coverage for a loss or injury that occurs while the insured is providing a prearranged
45 ride or is available to provide a prearranged ride. Notwithstanding the provisions of ORS

1 chapter 806, coverage that an insurer may exclude under the circumstances described in this
2 subsection includes, but is not limited to:

3 (a) Liability coverage for death, bodily injury or property damage;

4 (b) Uninsured motorist coverage as required under ORS 742.500 to 742.506, 742.508 and
5 742.510;

6 (c) Personal injury protection coverage at the minimum coverage amounts required for
7 private passenger vehicles under ORS 742.518 to 742.542;

8 (d) Coverage for medical payments;

9 (e) Comprehensive coverage for physical damage to a motor vehicle; and

10 (f) Coverage for collisions and resulting physical damage.

11 (2) An insurer that denies or excludes coverage under this section does not have a duty
12 to indemnify any party or defend against a claim brought against a transportation network
13 company or participating driver to the extent that the insurer denied or excluded coverage
14 for the claim.

15 (3) This section does not limit or invalidate an exclusion of the type described in sub-
16 section (1) of this section that existed in an automobile insurance policy before the operative
17 date of sections 1 to 3 of this 2019 Act.

18 (4) An insurer that defends against a claim or indemnifies a party after denying or ex-
19 cluding coverage for the claim has a right of contribution against any other insurer that
20 provides coverage to a transportation network company or participating driver under section
21 2 of this 2019 Act.

22 (5) A transportation network company shall cooperate fully with an investigation of an
23 accident that involves a participating driver and shall provide in response to a request from
24 a party involved in the accident, an insurer or an investigating police officer the precise
25 times during which the participating driver was providing a prearranged ride or was available
26 to provide a prearranged ride during a period that begins 12 hours before the time of the
27 accident and ends 12 hours after the time of the accident.

28 (6) A transportation network company, the transportation network company's insurer
29 and the insurers of all parties involved in an accident shall disclose in response to a request
30 from another insurer that is named in the same claim the coverage, limits and exclusions
31 for the automobile insurance policy the insurer provided.

32 (7) This section does not require an insurer to refer to this section or to use specific
33 language to deny or exclude coverage as provided in this section.

34 (8) This section does not preclude an insurer from providing primary or excess automo-
35 bile insurance coverage for a public passenger vehicle if the insurer contracts with an oper-
36 ator to provide the coverage or if the insurer provides the coverage by endorsement on the
37 operator's automobile insurance policy.

38 **SECTION 4.** This 2019 Act takes effect on the 91st day after the date on which the 2019
39 regular session of the Eightieth Legislative Assembly adjourns sine die.

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