

1 **SENATE FLOOR VERSION**

2 February 19, 2015

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL NO. 436

By: Quinn of the Senate

and

Mulready of the House

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8  
9 [ motor vehicles - Transportation Network Act of 2015  
10 - certain limits of liability - ride requests -  
11 coverage requirements - lapse of coverage - personal  
12 automobile coverage - claims coverage investigation -  
13 proof of insurance - noncodification - codification -  
14 effective date ]

15 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

16 SECTION 1. NEW LAW A new section of law not to be  
17 codified in the Oklahoma Statutes reads as follows:

18 This act shall be known and may be cited as the "Transportation  
19 Network Act of 2015".

20 SECTION 2. NEW LAW A new section of law to be codified  
21 in the Oklahoma Statutes as Section 1007 of Title 47, unless there  
22 is created a duplication in numbering, reads as follows:

23 A. For the purposes of this section:

24 1. "Transportation network company" means an organization,  
including, but not limited to, a corporation, limited liability

1 company, partnership, sole proprietor or any other entity, operating  
2 in this state that provides prearranged transportation services for  
3 compensation using an online-enabled application or platform to  
4 connect passengers with drivers using a personal vehicle;

5 2. "Participating driver" or "driver" is any person who uses a  
6 vehicle in connection with a transportation network company's  
7 online-enabled application or platform to connect with passengers;  
8 and

9 3. "Transportation network company insurance" is an insurance  
10 policy that specifically covers a driver's use of a vehicle in  
11 connection with a transportation network company's online-enabled  
12 application or platform.

13 B. A transportation network company shall disclose in writing  
14 to participating drivers, as part of its agreement with those  
15 drivers, the insurance coverage, limits of liability, and  
16 deductibles that the driver might be responsible for, that the  
17 transportation network company provides while the driver uses a  
18 vehicle in connection with a transportation network company's  
19 online-enabled application or platform, and shall advise a  
20 participating driver in writing that the driver's automobile  
21 insurance policy may not provide any required or optional coverage  
22 because the driver uses a vehicle in connection with a  
23 transportation network company's online-enabled application or  
24 platform.

1 C. A transportation network company and any participating  
2 driver shall maintain transportation network company insurance as  
3 provided in this section.

4 D. The following requirements shall apply to transportation  
5 network company's insurance from the moment a participating driver  
6 accepts a ride request on the transportation network company's  
7 online-enabled application or platform until the driver completes  
8 the transaction on the online-enabled application or platform or  
9 until the ride is complete, whichever is later. Transportation  
10 network company insurance shall provide:

11 1. Primary liability coverage in the amount of not less than  
12 Twenty-five Thousand Dollars (\$25,000.00) per person and Fifty  
13 Thousand Dollars (\$50,000.00) per incident for death, bodily injury,  
14 and property damage; and

15 2. Uninsured motorist, collision physical damage coverage, and  
16 comprehensive physical damage coverage if the participating driver  
17 carries those coverages on their auto policy, unless that insurer is  
18 providing transportation network company insurance to the driver.

19 E. The requirements for the coverage required by this section  
20 may be satisfied by any of the following:

21 1. Transportation network company insurance maintained by a  
22 participating driver;

23 2. Transportation network company insurance maintained by a  
24 transportation network company; or

1 3. Any combination of paragraphs 1 and 2 of this subsection.

2 F. A transportation network company may meet its obligations  
3 under this section through a policy obtained by a participating  
4 driver pursuant to paragraph 1 or 2 of subsection E of this section  
5 only if the transportation network company verifies that the policy  
6 is maintained by the driver and is specifically written to cover the  
7 driver's use of a vehicle in connection with a transportation  
8 network company's online-enabled application or platform. The  
9 insurer providing transportation network company insurance under  
10 this section shall have the duty to defend and indemnify the  
11 insured.

12 G. From the moment a participating driver logs on to the  
13 transportation network company's online-enabled application or  
14 platform until the driver accepts a request to transport a  
15 passenger, and from the moment the driver completes the transaction  
16 on the online-enabled application or platform or the ride is  
17 complete, whichever is later, until the driver either accepts  
18 another ride request on the online-enabled application or platform  
19 or logs off the online-enabled application or platform,  
20 transportation network company insurance shall provide primary  
21 liability coverage in the amount of not less than Twenty-five  
22 Thousand Dollars (\$25,000.00) for death and bodily injury per  
23 person, Fifty Thousand Dollars (\$50,000.00) for death and bodily  
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1 injury per incident, and Twenty-five Thousand Dollars (\$25,000.00)  
2 for property damage.

3 1. Transportation network company insurance coverage provided  
4 under this section shall also provide uninsured motorist, collision  
5 physical damage coverage, and comprehensive physical damage coverage  
6 if the participating driver carries those coverages on his or her  
7 auto policy unless that insurer is providing transportation network  
8 company insurance to the driver.

9 2. The requirements for the coverage required by this  
10 subsection may be satisfied by any of the following:

- 11 a. transportation network company insurance maintained by  
12 a participating driver,
- 13 b. transportation network company insurance maintained by  
14 a transportation network company that provides  
15 coverage in the event a participating driver's  
16 insurance policy under subparagraph a of this  
17 paragraph has ceased to exist or has been canceled, or  
18 the participating driver does not otherwise maintain  
19 transportation network company insurance pursuant to  
20 this subsection, or
- 21 c. any combination of subparagraphs a and b of this  
22 paragraph.
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1           3. The insurer providing transportation network company  
2 insurance under this subsection shall have the duty to defend and  
3 indemnify the insured.

4           H. Coverage under a transportation network company insurance  
5 policy shall not be dependent on an automobile insurance policy  
6 first denying a claim nor shall an automobile insurance policy be  
7 required to first deny a claim. In every instance where  
8 transportation network company insurance maintained by a  
9 participating driver to fulfill the insurance obligations of this  
10 section has lapsed or ceased to exist, the transportation network  
11 company shall provide the coverage required by this section  
12 beginning with the first dollar of a claim.

13           I. Nothing in this section shall be construed to require an  
14 automobile insurance policy to provide primary or excess coverage  
15 during the period of time from the moment a participating driver in  
16 a transportation network company logs on to the transportation  
17 network company's online-enabled application or platform until the  
18 driver logs off the online-enabled application or platform or the  
19 passenger exits the vehicle, whichever is later.

20           J. During the period of time from the moment a participating  
21 driver in a transportation network company logs on to the  
22 transportation network company's online-enabled application or  
23 platform until the driver logs off the online-enabled application or  
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1 platform or until the ride is complete, whichever is later, all of  
2 the following shall apply:

3 1. The participating driver's or the vehicle owner's automobile  
4 insurance policy shall not provide any coverage to the participating  
5 driver, vehicle owner or any third party, unless the policy  
6 expressly provides for that coverage during the period of time to  
7 which this paragraph is applicable, with or without a separate  
8 charge, or the policy contains an amendment or endorsement to  
9 provide that coverage, for which a separately stated premium is  
10 charged; and

11 2. The participating driver's or the vehicle owner's automobile  
12 insurance policy shall not have the duty to defend or indemnify for  
13 the driver's activities in connection with the transportation  
14 network company, unless the policy expressly provides otherwise for  
15 the period of time to which this paragraph is applicable, with or  
16 without a separate charge, or the policy contains an amendment or  
17 endorsement to provide that coverage, for which a separately stated  
18 premium is charged.

19 K. Notwithstanding any other law, an automobile insurer may, at  
20 its discretion, offer an automobile liability insurance policy, or  
21 an amendment or endorsement to an existing policy that covers a  
22 private passenger vehicle, station wagon type vehicle, sport utility  
23 vehicle or similar type of vehicle with a passenger capacity of  
24 eight persons or less, including the driver, while used in

1 connection with a transportation network company's online-enabled  
2 application or platform only if the policy expressly provides for  
3 the coverage during the time period specified in subsection J of  
4 this section, with or without a separate charge, or the policy  
5 contains an amendment or an endorsement to provide that coverage,  
6 for which a separately stated premium may be charged.

7 L. In a claims coverage investigation, a transportation network  
8 company or its insurer shall cooperate with insurers that are  
9 involved in the claims coverage investigation to facilitate the  
10 exchange of information, including the provision of dates and times  
11 at which an accident occurred that involved a participating driver  
12 and the precise times that the participating driver logged on and  
13 off the transportation network company's online-enabled application  
14 or platform.

15 M. A participating driver of a transportation network company  
16 shall carry proof of transportation network company insurance  
17 coverage with him or her at all times during his or her use of a  
18 vehicle in connection with a transportation network company's  
19 online-enabled application or platform. In the event of an  
20 accident, a participating driver shall provide this insurance  
21 coverage information to any other party involved in the accident,  
22 and to a police officer, upon request.

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1 SECTION 3. This act shall become effective November 1, 2015.

2 COMMITTEE REPORT BY: COMMITTEE ON INSURANCE  
3 February 19, 2015 - DO PASS AS AMENDED  
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