ENGROSSED SENATE
BILL NO. 436

By: Quinn and Sharp of the Senate

and

Mulready of the House

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

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

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

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

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

A. For the purposes of this section:

1. "Transportation network company" means an organization, including, but not limited to, a corporation, limited liability company, partnership, sole proprietor or any other entity, operating in this state that provides prearranged transportation services for

compensation using an online-enabled application or platform to connect passengers with drivers using a personal vehicle;

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

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

B. 1. A transportation network company shall disclose in writing to participating drivers, as part of its agreement with those drivers, the insurance coverage, limits of liability, and deductibles that the driver might be responsible for, that the transportation network company provides while the driver uses a vehicle in connection with a transportation network company's online-enabled application or platform, and shall advise a participating driver in writing that the driver's automobile insurance policy may not provide any required or optional coverage because the driver uses a vehicle in connection with a transportation network company's online-enabled application or platform.

2. An individual acting or seeking to act as a participating driver for a transportation network company shall provide written or

electronic authorization from any lienholder with a security interest in the vehicle to be used in conjunction with the individual's service as such a driver. The authorization shall specify that the lienholder has been notified of the individual's intent to use the vehicle for such purpose and that the lienholder agrees to such use of the vehicle.

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

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

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

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

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

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

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

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

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

G. From the moment a participating driver logs on to the transportation network company's online-enabled application or platform until the driver accepts a request to transport a passenger, and from the moment the driver completes the transaction on the online-enabled application or platform or the ride is complete, whichever is later, until the driver either accepts another ride request on the online-enabled application or platform

or logs off the online-enabled application or platform, transportation network company insurance shall provide primary liability coverage in the amount of not less than Twenty-five Thousand Dollars ($25,000.00) for death and bodily injury per person, Fifty Thousand Dollars ($50,000.00) for death and bodily injury per incident, and Twenty-five Thousand Dollars ($25,000.00) for property damage.

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

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

a. transportation network company insurance maintained by a participating driver,

b. transportation network company insurance maintained by a transportation network company that provides coverage in the event a participating driver's insurance policy under subparagraph a of this paragraph has ceased to exist or has been canceled, or the participating driver does not otherwise maintain

transportation network company insurance pursuant to this subsection, or

c. any combination of subparagraphs a and b of this paragraph.

3. The insurer providing transportation network company insurance under this subsection shall have the duty to defend and indemnify the insured.

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

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

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

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

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

K. Notwithstanding any other law, an automobile insurer may, at its discretion, offer an automobile liability insurance policy, or

an amendment or endorsement to an existing policy that covers a private passenger vehicle, station wagon type vehicle, sport utility vehicle or similar type of vehicle with a passenger capacity of eight persons or less, including the driver, while used in connection with a transportation network company's online-enabled application or platform only if the policy expressly provides for the coverage during the time period specified in subsection J of this section, with or without a separate charge, or the policy contains an amendment or an endorsement to provide that coverage, for which a separately stated premium may be charged.

L. If an insurer for a transportation network company makes a payment for a claim covered under comprehensive or collision insurance coverage, the transportation network company shall cause its insurer to issue the payment directly to the business repairing the vehicle or jointly to the owner of the vehicle and the primary lienholder.

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

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

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

Passed the Senate the 11th day of March, 2015.

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Presiding Officer of the Senate

Passed the House of Representatives the ____ day of _____, 2015.

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Presiding Officer of the House of Representatives