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COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 999

and

Frix of the House

An Act relating to transportation; creating the Oklahoma Courier Application Services Act; providing definitions; excluding motor carrier classification for certain entities and people; requiring courier service implement zero tolerance policy for drugs or alcohol; requiring services suspend access and conduct investigation in certain circumstance; requiring applicants submit certain information to courier service; prohibiting courier service from hiring certain persons; requiring updates; requiring certain equipment standards be met by courier application service drivers; requiring certain entity maintain commercial auto insurance in certain amount; specifying time period that driver is responsible for maintaining personal insurance; authorizing courier application service insurance to provide coverage without certain requirement; specifying insurers eligible to provide insurance for courier application services; requiring courier application service disclose information to driver prior to driver accepting courier request; authorizing insurers to exclude certain insurance coverage; construing provision; providing that insurer not have certain duty; providing that certain insurer have right of contribution; requiring insurer cooperation with certain persons in certain investigation; requiring direct payment from insurer to certain people under certain circumstances; providing for codification; and providing an effective date.

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

3 SECTION 1. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 1050 of Title 47, unless there
5 is created a duplication in numbering, reads as follows:

6 This act shall be known and may be cited as the "Oklahoma
7 Courier Application Services Act".

8 SECTION 2. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 1051 of Title 47, unless there
10 is created a duplication in numbering, reads as follows:

11 As used in the Oklahoma Courier Application Services Act:

12 A. "Digital network" means any online-enabled application,
13 software, website or system offered or utilized by a courier
14 application service (CAS) that enables the prearrangement of courier
15 services with CAS drivers.

16 B. "Personal vehicle" means a vehicle that is used by a CAS
17 driver in connection with providing courier services and is:

18 1. Owned, leased or otherwise authorized for use by the CAS
19 driver; and

20 2. Has an actual weight of less than eight thousand (8,000)
21 pounds; and

22 3. Has no more than two axles or axle combination.

23 C. "Courier application services (CAS)" means a business entity
24 operating in Oklahoma that uses a digital network to connect

1 business entities including itself, its affiliates or people to CAS
2 drivers for the purpose of providing courier services on an on-
3 demand basis. Courier services are provided on an on-demand basis
4 if the CAS drivers are free to accept or reject courier requests and
5 the CAS does not require the CAS driver to accept any specific
6 delivery request as a condition of maintaining access to the CAS
7 digital network. A CAS does not provide other for-hire motor
8 carrier services. A CAS shall not be deemed to control, direct or
9 manage the personal vehicles or participating drivers that connect
10 to its digital network, except where agreed to by written contract.

11 D. "Courier application service driver (CAS driver)" means an
12 individual who uses a personal vehicle to provide courier services
13 for business or people upon connection through a digital network
14 controlled by a CAS in return for compensation or payment of a fee.

15 E. "Courier service" means the for-hire transportation of
16 property in a personal vehicle, with each individual piece of
17 property weighing less than one hundred (100) pounds, beginning
18 either when

19 1. A CAS driver accepts a courier request through a digital
20 network controlled by a CAS; or

21 2. If a CAS driver accepts such courier request for delivery
22 during a fixed block of time, when the CAS driver picks up the
23 property for delivery.

1 The courier service continues while the CAS driver is actively
2 transporting the requested property to the recipient and ends when
3 the property has been delivered. A courier service does not include
4 shared expense or transporting property not for profit, or other
5 for-hire motor carrier operations authorized by the laws of this
6 state.

7 SECTION 3. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 1052 of Title 47, unless there
9 is created a duplication in numbering, reads as follows:

10 Courier application service companies or courier application
11 service drivers shall not be considered motor carriers of property,
12 nor shall CAS or CAS drivers be considered for-hire motor carrier,
13 as defined in Section 230.23 of Title 47 of the Oklahoma Statutes.

14 SECTION 4. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 1053 of Title 47, unless there
16 is created a duplication in numbering, reads as follows:

17 Courier application service companies shall implement a zero-
18 tolerance policy against CAS drivers operating under the influence
19 of drugs or alcohol while providing courier services and shall
20 provide notice of this policy on its digital network. Upon receipt
21 of a credible complaint alleging a violation of the zero-tolerance
22 policy, the CAS shall suspend the CAS driver's access to the CAS's
23 digital network and shall conduct an investigation into the reported
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1 incident. The suspension shall last the duration of the
2 investigation.

3 SECTION 5. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 1054 of Title 47, unless there
5 is created a duplication in numbering, reads as follows:

6 A. Prior to permitting an individual to act as a courier
7 application service driver on its digital network, the courier
8 application service shall require the individual to submit to the
9 CAS information regarding his or her address, age, driver license
10 and other information required by the CAS.

11 B. A CAS shall not knowingly permit an individual to act as a
12 CAS driver on its digital network who:

13 1. Does not possess a valid driver license;

14 2. Does not possess current proof of motor vehicle registration
15 for the motor vehicles used to provide courier services;

16 3. Does not possess proof of the motor vehicle liability
17 insurance required by law or rule for the motor vehicles used to
18 provide courier services; and

19 4. Is not at least eighteen (18) years of age.

20 C. Every CAS operating in this state shall implement a
21 procedure for periodic information updates to ensure continued
22 compliance by each driver with the requirements of this section.

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1 SECTION 6. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 1055 of Title 47, unless there
3 is created a duplication in numbering, reads as follows:

4 Every courier application service shall require that any motor
5 vehicles that a CAS driver will use to provide courier services
6 meets the equipment standards required of private motor vehicles
7 under Section 12-101 et seq. of Title 47 of the Oklahoma Statutes.

8 SECTION 7. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 1056 of Title 47, unless there
10 is created a duplication in numbering, reads as follows:

11 A. A courier application service (CAS) shall maintain
12 commercial auto coverage, as defined in Section 7-600 of Title 47 of
13 the Oklahoma Statutes, with a combined single limit of at least One
14 Million Dollars (\$1,000,000.00) that provides coverage to the CAS
15 for its liability arising out of the use of a hired, owned, or non-
16 owned vehicle used to transport property for compensation.

17 B. When a CAS driver is not engaged in courier services, as
18 defined in this Act, the CAS driver shall be solely responsible for
19 maintaining state compliant automobile insurance coverage pursuant
20 to Section 7-601 of Title 47 of the Oklahoma Statutes.

21 C. Coverage under an insurance policy maintained by the CAS
22 shall not be dependent on a personal automobile insurer first
23 denying a claim nor shall a personal automobile insurance policy be
24 required to first deny a claim.

1 D. Insurance required by this section may be placed with an
2 insurer authorized to do business in this state or with a surplus
3 lines insurer eligible under Section 1100 et seq. of Title 36 of the
4 Oklahoma Statutes.

5 SECTION 8. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 1057 of Title 47, unless there
7 is created a duplication in numbering, reads as follows:

8 The Courier application services shall disclose in writing to
9 CAS drivers the following before they are allowed to accept a
10 request for a courier service on the CAS's digital network:

11 1. The insurance coverage, including the types of coverage and
12 the limits for each coverage, that the CAS provides while the CAS
13 driver uses a personal vehicle in connection with a CAS's digital
14 network; and

15 2. That the CAS driver's own motor vehicle insurance policy may
16 not provide any coverage while the driver is engaged in providing
17 courier services depending on its terms.

18 SECTION 9. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 1058 of Title 47, unless there
20 is created a duplication in numbering, reads as follows:

21 A. Insurers that write motor vehicle insurance in Oklahoma may
22 exclude any coverage afforded under the owner's insurance policy for
23 any loss or injury that occurs while a CAS driver is engaged in
24 providing courier services. This right to exclude all coverage may

1 apply to any coverage included in a motor vehicle insurance policy
2 including, but not limited to:

- 3 1. Liability coverage for bodily injury and property damage;
- 4 2. Uninsured and underinsured motorist coverage;
- 5 3. Medical payments coverage;
- 6 4. Comprehensive physical damage coverage; and
- 7 5. Collision physical damage coverage.

8 B. Such exclusions shall apply notwithstanding any requirement
9 under Chapter 7 of the Oklahoma Highway Safety Code of Section 7-101
10 et seq. of Title 47 of the Oklahoma Statutes. Nothing in this
11 section implies or requires that a personal motor vehicle insurance
12 policy provide coverage while the CAS driver is engaged in providing
13 courier services or while the driver otherwise uses a vehicle to
14 transport property for compensation. Nothing in this section shall
15 be construed to preclude an insurer from providing coverage for the
16 CAS driver's vehicle if it chooses to do so by contract or
17 endorsement.

18 C. Motor vehicle insurers that exclude coverage as permitted in
19 this section shall have no duty to defend or indemnify any claim
20 expressly excluded thereunder. Nothing in this article shall be
21 construed to invalidate or limit an exclusion contained in a policy
22 already in use or approved for use in this state prior to the
23 effective date of this act that excludes coverage for vehicles used
24 to carry persons or property for a charge or available for hire by

1 the public. A motor vehicle insurer that defends or indemnifies a
2 claim against a CAS driver that is excluded under the terms of its
3 policy shall have a right of contribution against other insurers
4 that provide motor vehicle insurance to the same CAS driver in
5 satisfaction of the coverage requirements of Section 7 of this act
6 at the time of loss.

7 D. In a claims coverage investigation, a CAS and any insurer
8 potentially providing coverage under Section 7 of this act shall
9 cooperate to facilitate the exchange of relevant information with
10 directly involved parties, law enforcement and any insurer of the
11 CAS driver if applicable, including the precise times that a CAS
12 driver logged on and off of the CAS's digital network in the twelve-
13 hour period immediately preceding and in the twelve-hour period
14 immediately following the accident and disclose to one another a
15 clear description of the coverage, exclusions and limits provided
16 under any motor vehicle insurance maintained under Section 7 of this
17 act.

18 SECTION 10. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 1059 of Title 47, unless there
20 is created a duplication in numbering, reads as follows:

21 If a courier application service insurer makes a payment for a
22 claim covered under comprehensive or collision insurance coverage,
23 the CAS shall cause its insurer to issue the payment directly to the
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1 business repairing the vehicle or jointly to the owner of the
2 vehicle and the primary lienholder.

3 SECTION 11. This act shall become effective November 1, 2021.

4 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
5 March 3, 2021 - DO PASS AS AMENDED
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