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SENATE DRS25182-MH-110 (03/16)

Short Title: Regulate Transportation Network Companies. (Public)

Sponsors: Senator Tarte (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE FINANCIAL RESPONSIBILITY FOR OPERATORS OF
3 DIGITALLY DISPATCHED PREARRANGED TRANSPORTATION SERVICES.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. The title of Article 10 of Chapter 20 of the General Statutes reads as
6 rewritten:

7 "Article 10.

8 "Financial Responsibility of Taxicab ~~Operators~~ Operators and Providers of Digitally
9 Dispatched Prearranged Transportation Services.

10 SECTION 2. Article 10 of Chapter 20 of the General Statutes is amended by
11 adding a new section to read:

12 "**§ 20-280.1 Requirements for digitally dispatched prearranged transportation services.**

13 (a) The following definitions apply to this section:

14 (1) Participating driver or driver. – Any person who uses a vehicle in connection
15 with a transportation network company's online-enabled application or
16 platform to connect with passengers.

17 (2) Transportation network company. – An organization, including, but not
18 limited to, a corporation, limited liability company, partnership, sole
19 proprietor, or any other entity, operating in the State that provides digital
20 dispatching services for prearranged transportation services for
21 compensation using an online-enabled application or platform to connect
22 passengers with drivers using a personal vehicle.

23 (3) Transportation network company insurance. – An insurance policy that
24 specifically covers liabilities arising from a driver's use of a vehicle in
25 connection with a transportation network company's online-enabled
26 application or platform.

27 (b) A transportation network company shall disclose in writing to participating drivers,
28 as part of its agreement with those drivers, the following:

29 (1) The insurance coverage and limits of liability that the transportation network
30 company provides while the driver uses a vehicle in connection with a
31 transportation network company's online-enabled application or platform.

32 (2) That the driver's personal automobile insurance policy may not provide any
33 required or optional coverages when the driver uses a vehicle in connection
34 with a transportation network company's online-enabled application or
35 platform.



1 (c) A transportation network company and any participating driver shall maintain
2 transportation network company insurance as provided in this subsection.

3 (1) The following requirements shall apply to transportation network company
4 insurance from the moment a participating driver accepts a ride request on
5 the transportation network company's online-enabled application or platform
6 until the driver completes the transaction on the online-enabled application
7 or platform or until the ride is complete, whichever is later:

8 a. Transportation network company insurance shall be primary and in
9 the amount of one million dollars (\$1,000,000) for death, bodily
10 injury, and property damage. Transportation network company
11 insurance coverage provided under this subdivision shall also provide
12 for uninsured motorist coverage in the amount of one million dollars
13 (\$1,000,000).

14 b. Transportation network company insurance coverage provided under
15 this subdivision may provide for the following:

16 1. Underinsured motorist coverage in an amount not to exceed
17 one million dollars (\$1,000,000).

18 2. Accident and health insurance, as defined by G.S. 58-7-15.

19 3. Collision insurance or other comprehensive physical damage
20 coverage if the participating driver carries any of those
21 coverages on their personal auto policy, unless that insurer
22 issuing the personal auto policy is providing transportation
23 network company insurance to the driver.

24 c. The requirements for the coverage required by this subdivision may
25 be satisfied by any of the following:

26 1. Transportation network company insurance maintained by a
27 participating driver.

28 2. Transportation network company insurance maintained by a
29 transportation network company.

30 3. Any combination of sub-sub-subdivisions 1. and 2. of this
31 sub-subdivision.

32 d. A transportation network company may meet its obligations under
33 this subdivision through a policy obtained by a participating driver
34 pursuant to sub-sub-subdivisions 1. or 3. of sub-subdivision c. of this
35 subdivision only if the transportation network company verifies that
36 the policy is maintained by the driver and is specifically written to
37 cover the driver's use of a vehicle in connection with a transportation
38 network company's online-enabled application or platform.

39 e. The insurer providing the transportation network company insurance
40 under this subdivision shall have the duty to defend and indemnify
41 the insured.

42 (2) The following requirements shall apply to transportation network company
43 insurance from the moment a participating driver logs on to the
44 transportation network company's online-enabled application or platform
45 until the driver accepts a request to transport a passenger, and from the
46 moment the driver completes the transaction on the online-enabled
47 application or platform or the ride is complete, whichever is later, until the
48 driver either accepts another ride request on the online-enabled application
49 or platform or logs off the online-enabled application or platform:

50 a. Transportation network company insurance shall be primary and in
51 the amount of at least thirty thousand dollars (\$30,000) for death and

- 1 bodily injury per person, sixty thousand dollars (\$60,000) for death
2 and bodily injury per accident, and twenty-five thousand dollars
3 (\$25,000) for property damage. Transportation network company
4 insurance coverage provided under this subdivision shall also provide
5 for uninsured motorist coverage equal to the highest limits in the
6 policy for death or bodily injury, but not to exceed one million
7 dollars (\$1,000,000) per person or accident.
- 8 b. Transportation network company insurance coverage provided under
9 this subdivision may provide for the following:
- 10 1. Underinsured motorist coverage in an amount not to exceed
11 one million dollars (\$1,000,000).
- 12 2. Accident and health insurance, as defined by G.S. 58-7-15.
- 13 3. Collision insurance or other comprehensive physical damage
14 coverage if the participating driver carries any of those
15 coverages on their personal auto policy, unless that insurer
16 issuing the personal auto policy is providing transportation
17 network company insurance to the driver.
- 18 c. The requirements for the coverage required by this subdivision may
19 be satisfied by any of the following:
- 20 1. Transportation network company insurance maintained by a
21 participating driver.
- 22 2. Transportation network company insurance maintained by a
23 transportation network company that provides coverage in the
24 event a participating driver's insurance policy under
25 sub-sub-subdivision 1. of this sub-subdivision has ceased to
26 exist or has been canceled, or the participating driver does not
27 otherwise maintain transportation network company
28 insurance pursuant to this subdivision.
- 29 3. Any combination of sub-sub-subdivisions 1. and 2. of this
30 sub-subdivision.
- 31 d. A transportation network company may meet its obligations under
32 this subdivision through a policy obtained by a participating driver
33 pursuant to sub-sub-subdivisions 1. or 3. of sub-subdivision c. of this
34 subdivision only if the transportation network company verifies that
35 the policy is maintained by the driver and is specifically written to
36 cover the driver's use of a vehicle in connection with a transportation
37 network company's online-enabled application or platform.
- 38 e. The insurer providing the transportation network company insurance
39 under this subdivision shall have the duty to defend and indemnify
40 the insured.
- 41 (3) Coverage under a transportation network company insurance policy shall not
42 be dependent on a personal automobile insurance policy first denying a
43 claim nor shall a personal automobile insurance policy be required to first
44 deny a claim.
- 45 (4) In every instance where transportation network company insurance
46 maintained by a participating driver to fulfill the insurance obligations of
47 this section has lapsed or ceased to exist, the transportation network
48 company shall provide the coverage required by this section beginning with
49 the first dollar of a claim.
- 50 (d) Nothing in this section shall be construed to require a private passenger automobile
51 insurance policy to provide primary or excess coverage during the period of time from the

1 moment a participating driver in a transportation network company logs on to the transportation
2 network company's online-enabled application or platform until the driver logs off the
3 online-enabled application or platform or the passenger exits the vehicle, whichever is later.

4 (e) During the period of time from the moment a participating driver in a transportation
5 network company logs on to the transportation network company's online-enabled application
6 or platform until the driver logs off the online-enabled application or platform or the passenger
7 exits the vehicle, whichever is later, all of the following shall apply:

8 (1) The participating driver's or the vehicle owner's personal automobile
9 insurance policy shall not provide any coverage to the participating driver,
10 vehicle owner, or any third party, unless the policy expressly provides for
11 that coverage during the period of time to which this subdivision is
12 applicable, with or without a separate charge, or the policy contains an
13 amendment or endorsement to provide that coverage, for which a separately
14 stated premium is charged.

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

22 (f) Notwithstanding any other law, a personal automobile insurer may, at its discretion,
23 offer an automobile liability insurance policy, or an amendment or endorsement to an existing
24 policy that covers a private passenger vehicle, station wagon type vehicle, sport utility vehicle,
25 or similar type of vehicle with a passenger capacity of eight persons or less, including the
26 driver, while used in connection with a transportation network company's online-enabled
27 application or platform only if the policy expressly provides for the coverage during the time
28 period specified in subsection (e) of this section, with or without a separate charge, or the
29 policy contains an amendment or an endorsement to provide that coverage, for which a
30 separately stated premium may be charged.

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

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

42 (i) Notwithstanding any other provision of this Chapter or Chapter 58 of the General
43 Statutes, or any other law affecting how one or more policies of insurance applicable to an
44 occurrence may be categorized as primary or excess, this section determines the obligations
45 under insurance policies issued to transportation network companies and, if applicable, drivers
46 using a vehicle in connection with a transportation network company's online-enabled
47 application or platform."

48 **SECTION 3.** This act becomes effective July 1, 2015.