



Property Casualty Insurers
Association of America

Advocacy. Leadership. Results.

Supporting Innovation; Closing Transportation Network Company Insurance Gaps

Oyango A. Snell, Esq.

Counsel, State Government Relations

North Carolina Revenue Laws Study Committee

November 18, 2015

Commercial Ride Sharing – Invocation

PCI is supportive of innovation in the marketplace for transportation and insurance.

PCI seeks to enhance insurance product certainty by clarifying insurance issues and will strongly object to being cast as an impediment to innovation.



Ride share with care. . .



What do we call this?

Ride sharing its...

- Not car pooling
 - Not short term rentals
 - Not “car sharing” at all!

Transportation Networks – Taxis 2.0

- Services or Companies (TNS or TNC)
- Primary firms include:



TNCs Debut

- TNCs debut: Uber-2009; Lyft-2012
- Uber valued at \$18 billion
- New Years Eve 2013 accident puts insurance gap on radars

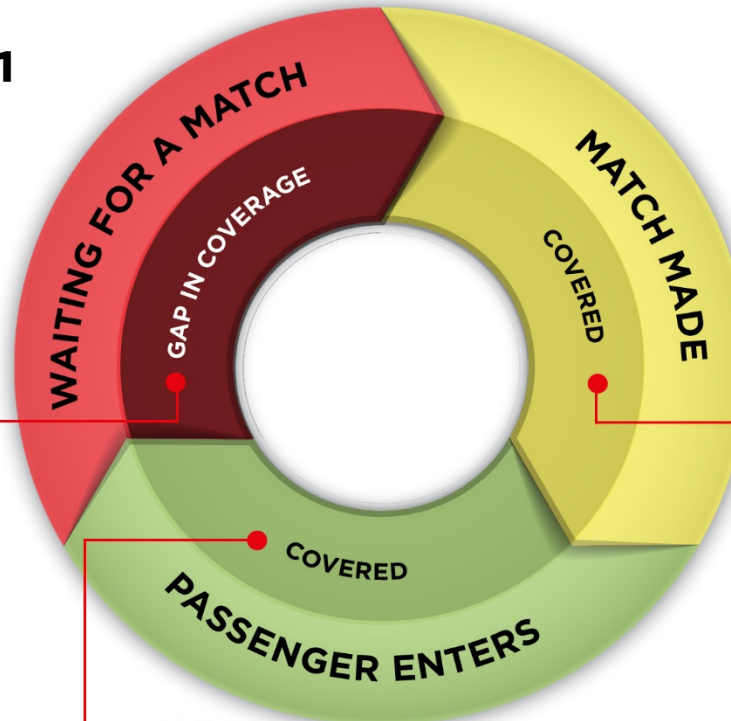


TNC Insurance Coverage

PERIOD 1 APP ON

A GAP EXISTS

TNC's only provide 50/100 contingent coverage. There is also no uninsured (UM)/underinsured (UIM) motorist coverage, medical payments coverage, comprehensive, collision or other optional coverages.



PERIOD 2 Passenger not yet in car

\$1,000,000 COVERAGE

Also includes UM/UIM and medical payments coverage where required. Comprehensive and collision coverage if the driver has purchased this for their personal policy.

PERIOD 3 Passenger in vehicle

\$1,000,000 COVERAGE

Also includes UM/UIM and medical payments coverage where required. Comprehensive and collision coverage if the driver has purchased this for their personal policy.

Insurance Challenges

Nature of Risk

- Different policies for different types of risks

Policy Language

- “Livery” and Business Use

Duty to Defend

- Broader than duty to indemnify

Subsidization

TNC Essential Elements

Support Innovation

- Transportation
- Insurance: commercial, personal and surplus lines

Insurance Product Certainty

- Policy language
- Rating and underwriting for risk
- Fill coverage gaps
 - Primary not contingent
 - Mirror drivers coverage

TNC Essential Elements

Notices and Disclosures

- Drivers on coverage issues
- Drivers personal insurer on participation

Notice of potential dispute

- TNC duty to defend until resolved
- Access to records and data

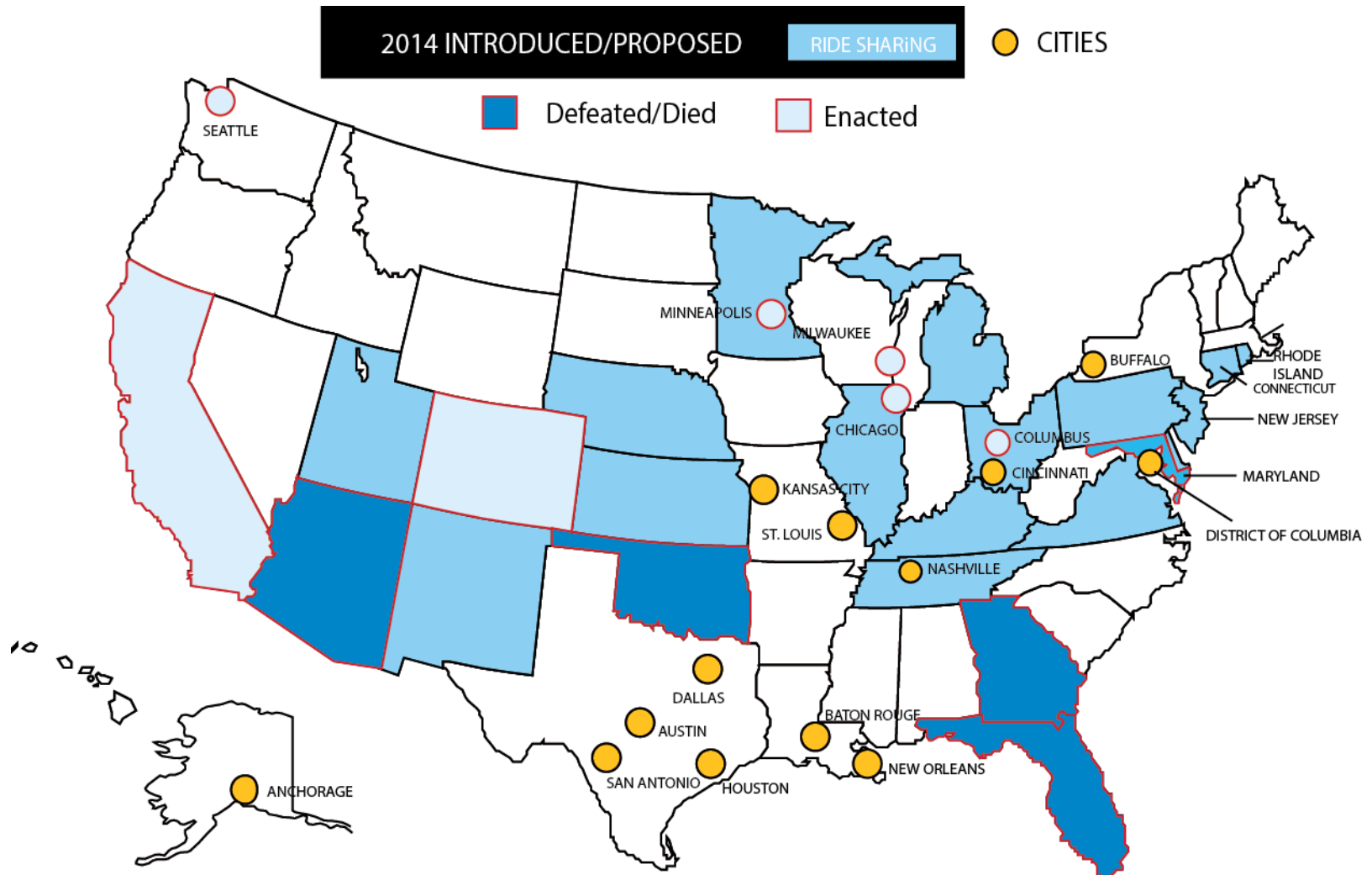
Policy Development

- Model Legislation - Executes Essential Elements
 - Terminology – Transportation network companies
 - Preserves livery exclusion
 - Financial Responsibility
 - Requires policy that explicitly covers transportation network services
 - 24/7 TNC specific personal or commercial
 - TNC provided “while available” to provide TNC services that mirrors drivers personal policy

Policy Development

- Model Legislation (Continued)
 - Disclosures to driver on insurance provided by TNC, and that drivers policy will not provide coverage.
 - Notice to personal insurer on enrollment and access to data for driver and personal insurer.
 - TNC duty to defend driver and personal insurer if named in suit.
 - Comprehensive, collision and UM/UIM

Current State of Play



2015 ANTICIPATED STATES RIDE SHARE

RIDE SHARE



2014 Activity

Insurance Regulators

- Consumer Alerts

Public Utility Commissions

- CA Regulations (2013)
- PA, NM (2014)
- Cease and desist orders

Cities

- Seattle, Chicago, Columbus, Milwaukee

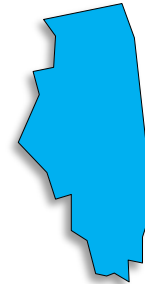
RICO, other lawsuits

2014 State Legislative Activity

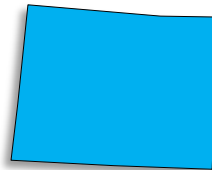
California
AB 2293:
Signed by Gov.



Illinois
HB 4075 & 5331:
Vetoed by Gov.

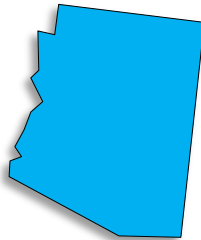


Colorado
SB 125:
Signed by Gov.



DC 
B20-753:
Passed Council

Arizona
HB 2262:
Vetoed by Gov.



California

AB 2293 – meets PCI's essential elements

Slightly different approach

- Defines TNC insurance vs. TNC activity
- More complete carve-out of PPA
- TNCs supported the bill



Petitioning California State Senate ▾

Protect California Drivers and Consumers



Sponsored by
Personal Insurance Federation of California

Should California drivers be at risk for paying higher rates for car insurance so that corporations in a multi-billion dollar industry can increase their profits? We don't think so.

Sign this petition

with 7,025 supporters

475 NEEDED



North Carolina

6
SEP

CHARLOTTE, YOUR (SECRET) UBER IS ARRIVING NOW



Uber: No retreat in dispute with RDU on drivers

4 comments | Post Yours

Print this blog post E-mail blog post



By RICK SMITH, WRAL TechWire Editor

Tags: [Startups](#), [Venture & Innovation](#)



Sign of the times - an Uber vehicle

Video

- Ride-share app comes to Raleigh

Related Blog Posts

- RDU International OKs limited number of Uber drivers
- NY reaches price limit deal with car service Uber
- Uber expands its ride-seeking app to Durham, Fayetteville

RESEARCH TRIANGLE PARK, N.C. — Executives with ride-sharing service Uber vow to keep RDU International Airport for its drivers.

The California-based startup also defer on taxis and other services through application that connects users and continuing to recruit more drivers in the WRAL TechWire.

RDU had called Uber and fellow ride-s taxis, handing out more than 100 trespass

While RDU recently decided to allow service the airport, the five-year-old co place and that it intends to keep passengers more choice in transporta service in Raleigh last April and expanded to other Triangle markets in June.

26
JUN

#NCLovesUber



DURHAM & CHAPEL HILL: YOUR UBERX IS ARRIVING NOW!

uberX is hitting the streets of Durham, Chapel Hill, and four additional North Carolina cities: Greensboro, Winston-Salem, Fayetteville and Wilmington. Now 1 in 3 North Carolinians can request a safe, affordable and reliable ride at the touch of a button.

Charlotte City Council Decides Not To Regulate Ride-Share Drivers

Share Tweet +1 E-mail 0 Comments Print

By DUNCAN MCFADYEN

Charlotte City Council is giving up the idea of regulating drivers for app-based ridesharing services like Uber and Lyft.

Questions?