

By: Smithee

H.B. No. 1733

Substitute the following for H.B. No. 1733:

By: Frullo

C.S.H.B. No. 1733

A BILL TO BE ENTITLED

AN ACT

relating to automobile liability insurance for transportation network company drivers.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle C, Title 10, Insurance Code, is amended by adding Chapter 1954 to read as follows:

CHAPTER 1954. INSURANCE FOR TRANSPORTATION NETWORK COMPANY DRIVERS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1954.001. DEFINITIONS. In this chapter:

(1) "Digital network" means any online-enabled application, software, website, or system offered or used by a transportation network company that enables a prearranged ride with a transportation network company driver.

(2) "Personal vehicle" means a vehicle that is used by a transportation network company driver and is:

(A) owned, leased, or otherwise authorized for use by the driver; and

(B) not a taxicab, limousine, or similar for-hire vehicle.

(3) "Prearranged ride" means transportation provided by a transportation network company driver to a transportation network company rider, beginning at the time a driver accepts a ride requested by a rider through a digital network controlled by a transportation network company and ending at the time the last

1 requesting rider departs from the driver's personal vehicle. The
2 term does not include transportation provided using a taxicab,
3 limousine, or similar for-hire vehicle.

4 (4) "Transportation network company" means a
5 corporation, partnership, sole proprietorship, or other entity
6 operating in this state that uses a digital network to connect a
7 transportation network company rider to a transportation network
8 company driver for a prearranged ride.

9 (5) "Transportation network company driver" means an
10 individual who:

11 (A) receives connections to potential
12 transportation network company riders and related services from a
13 transportation network company in exchange for payment of a fee to
14 the company; and

15 (B) uses a personal vehicle to offer or provide a
16 prearranged ride to a transportation network company rider on
17 connection with the rider through a digital network controlled by
18 the company in exchange for compensation or payment of a fee.

19 (6) "Transportation network company rider" means an
20 individual who uses a transportation network company's digital
21 network to connect with a transportation network company driver who
22 provides a prearranged ride to the individual in the driver's
23 personal vehicle between points chosen by the individual.

24 Sec. 1954.002. APPLICABILITY OF CHAPTER. This chapter
25 applies to automobile insurance policies in this state, including
26 policies issued by a Lloyd's plan, a reciprocal or interinsurance
27 exchange, and a county mutual insurance company.

1 SUBCHAPTER B. INSURANCE REQUIREMENTS

2 Sec. 1954.051. GENERAL INSURANCE REQUIREMENT. (a) A
3 transportation network company driver or transportation network
4 company on the driver's behalf shall maintain primary automobile
5 insurance as required by this subchapter.

6 (b) Insurance maintained under this subchapter must allow a
7 transportation network company driver to use a personal vehicle to
8 transport transportation network company riders for compensation
9 and cover the driver while:

10 (1) the driver is logged on to the transportation
11 network company's digital network as provided by Section 1954.052;
12 or

13 (2) the driver is engaged in a prearranged ride as
14 provided by Section 1954.053.

15 (c) Insurance maintained under this subchapter must comply
16 with the law applicable to personal automobile insurance in this
17 state, including this subtitle and Chapter 601, Transportation
18 Code.

19 (d) The coverage requirements of this subchapter may be
20 satisfied by:

21 (1) automobile insurance maintained by the
22 transportation network company driver;

23 (2) automobile insurance maintained by the
24 transportation network company; or

25 (3) a combination of Subdivisions (1) and (2).

26 (e) Insurance required under this subchapter may be placed
27 with an automobile insurer authorized to engage in business in this

1 state or with an eligible surplus lines insurer.

2 Sec. 1954.052. INSURANCE REQUIREMENTS: BETWEEN PREARRANGED
3 RIDES. At the time a transportation network company driver is
4 logged on to the transportation network company's digital network
5 and is available to receive transportation network requests but is
6 not engaged in a prearranged ride, the minimum amounts of
7 automobile insurance coverage are:

8 (1) \$50,000 for bodily injury to or death for each
9 person in an incident;

10 (2) \$100,000 for bodily injury to or death of a person
11 per incident; and

12 (3) \$25,000 for damage to or destruction of property
13 of others in an incident.

14 Sec. 1954.053. INSURANCE REQUIREMENTS: DURING PREARRANGED
15 RIDES. At the time a transportation network company driver is
16 engaged in a prearranged ride, the automobile insurance policy must
17 provide, at minimum, coverage with a total aggregate limit of
18 liability of \$1 million for death, bodily injury, and property
19 damage for each incident.

20 Sec. 1954.054. LAPSE OF OR INSUFFICIENT COVERAGE. If an
21 insurance policy maintained by a transportation network company
22 driver under this subchapter has lapsed or does not provide the
23 coverage required by this subchapter, the transportation network
24 company shall provide the coverage required by this subchapter
25 beginning with the first dollar of a claim against the driver.

26 Sec. 1954.055. RELATION TO PERSONAL AUTOMOBILE INSURANCE.
27 Coverage under an automobile insurance policy maintained by the

1 transportation network company is not contingent on a
2 transportation network company driver's personal automobile
3 insurer initially denying a claim.

4 Sec. 1954.056. FINANCIAL RESPONSIBILITY. (a) Insurance
5 satisfying the requirements of this subchapter satisfies the
6 financial responsibility requirement for an automobile under
7 Chapter 601, Transportation Code.

8 (b) A transportation network company driver shall carry
9 proof of insurance that satisfies Sections 1954.052 and 1954.053
10 with the driver when the driver uses a vehicle in connection with a
11 transportation network company's digital network. In the event of
12 an accident, a driver shall provide the proof of insurance to a
13 directly interested person, automobile insurer, and investigating
14 peace officer on request under Section 601.053, Transportation
15 Code. On request, a driver shall also disclose to a directly
16 interested person, automobile insurer, and investigating peace
17 officer whether, at the time of the accident, the driver was:

18 (1) logged on to the company's digital network; or

19 (2) engaged in a prearranged ride.

20 SUBCHAPTER C. RELATIONSHIP BETWEEN TRANSPORTATION NETWORK COMPANY
21 AND TRANSPORTATION NETWORK COMPANY DRIVER

22 Sec. 1954.101. REQUIRED DISCLOSURES. Before a
23 transportation network company driver may accept a request for a
24 prearranged ride on a transportation network company's digital
25 network, the company shall disclose in writing the following:

26 (1) the insurance policy, including the types of
27 coverage and the limits for the policy, that the company provides

1 while a driver uses a personal vehicle in connection with the
2 company's digital network; and

3 (2) that the driver's personal automobile insurance
4 policy may not provide coverage, depending on the policy's terms,
5 while the driver is logged on to the company's digital network and
6 is available to receive transportation requests or is engaged in a
7 prearranged ride.

8 Sec. 1954.102. CONTROL OF TRANSPORTATION NETWORK COMPANY
9 DRIVERS. A transportation network company does not control,
10 direct, or manage a personal vehicle or a transportation network
11 company driver who connects to the company's digital network except
12 as agreed by written contract.

13 SUBCHAPTER D. PERSONAL AUTOMOBILE INSURANCE

14 Sec. 1954.151. AUTHORIZED EXCLUSIONS FROM COVERAGE. (a)
15 An insurer may exclude from coverage under a personal automobile
16 insurance policy issued to an owner or operator of a personal
17 vehicle any loss or injury that occurs while a transportation
18 network company driver using the personal vehicle:

19 (1) is logged on to a transportation network company's
20 digital network; or

21 (2) is engaged in a prearranged ride.

22 (b) Subsection (a) applies to any coverage included in a
23 personal automobile insurance policy, including:

24 (1) liability coverage for bodily injury and property
25 damage;

26 (2) personal injury protection coverage under
27 Subchapter D, Chapter 1952;

1 (3) uninsured and underinsured motorist coverage;

2 (4) medical payment coverage;

3 (5) comprehensive physical damage coverage; and

4 (6) collision physical damage coverage.

5 (c) An exclusion authorized under this section applies
6 notwithstanding a financial responsibility requirement under
7 Chapter 601, Transportation Code.

8 (d) This subchapter may not be construed to invalidate or
9 limit an exclusion contained in a policy form, including a policy
10 form in use or approved for use in this state before September 1,
11 2015, that excludes coverage for automobiles used to carry persons
12 or property for compensation or available for hire by the public.

13 Sec. 1954.152. COVERAGE UNDER PERSONAL AUTOMOBILE
14 INSURANCE NOT REQUIRED. (a) This subchapter does not require a
15 personal automobile insurance policy to cover a transportation
16 network company driver while:

17 (1) the driver is logged on to a transportation
18 network company's digital network;

19 (2) the driver is engaged in a prearranged ride; or

20 (3) the driver otherwise uses a vehicle to transport
21 passengers for compensation.

22 (b) This section does not prevent an insurer from providing
23 coverage that may be excluded under this section if the insurer
24 elects to provide the coverage in the policy or by endorsement.

25 Sec. 1954.153. DEFENSE OR INDEMNIFICATION OF CLAIM. (a) An
26 automobile insurer that issues a personal automobile insurance
27 policy that includes an exclusion from coverage authorized by

1 Section 1954.151 does not have a duty to defend or indemnify a claim
2 arising from an event subject to the exclusion.

3 (b) An automobile insurer that defends or indemnifies a
4 claim against a transportation network company driver for which
5 coverage is excluded under the terms of the policy as authorized by
6 this subchapter has a right of contribution against another insurer
7 that provides automobile insurance to the driver in satisfaction of
8 the coverage requirements under Section 1954.052 or 1954.053, as
9 applicable.

10 Sec. 1954.154. ASSISTANCE IN CLAIM INVESTIGATION. In an
11 insurance claim investigation, a transportation network company
12 and any insurer providing coverage under Subchapter B shall assist
13 each insurer involved in the claim by providing information to
14 directly interested persons and an insurer of the transportation
15 network company driver. Information provided under this section
16 must include:

17 (1) the precise times that a driver logged on and off
18 of the transportation network company's digital network in the
19 12-hour period immediately preceding and the 12-hour period
20 immediately following the accident; and

21 (2) a clear description of the coverage, exclusions,
22 and limits provided under an automobile insurance policy maintained
23 under Subchapter B.

24 SECTION 2. This Act takes effect September 1, 2015.