

By: Smithee

H.B. No. 1733

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to automobile liability insurance for drivers providing  
3 transportation network services.

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

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

7 CHAPTER 1954. TRANSPORTATION NETWORK SERVICES

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Sec. 1954.001. DEFINITIONS. In this chapter:

10 (1) "Participating driver" means an individual who  
11 operates a motor vehicle that is owned, leased, or otherwise  
12 authorized for use by the individual and provides transportation  
13 network services.

14 (2) "Passenger" means an individual who receives  
15 transportation network services.

16 (3) "Transportation network company" means an entity  
17 operating in this state that provides prearranged transportation  
18 network services for compensation through an online-enabled  
19 application or platform that connects a passenger with a  
20 participating driver.

21 (4) "Transportation network insurance" means an  
22 automobile liability insurance policy that covers a participating  
23 driver while the driver is providing transportation network  
24 services.

1           (5) "Transportation network services" means  
2 transportation of a passenger between points chosen by the  
3 passenger and prearranged with a participating driver through the  
4 use of a transportation network company's online-enabled  
5 application or platform. Unless context otherwise requires, the  
6 term includes services beginning at the time the driver logs on to  
7 the transportation network company's online-enabled application or  
8 platform and ending at the time the driver logs off of the  
9 application or platform.

10           Sec. 1954.002. APPLICABILITY OF CHAPTER. This chapter  
11 applies to automobile liability insurance policies in this state,  
12 including policies issued by a Lloyd's plan, a reciprocal or  
13 interinsurance exchange, and a county mutual insurance company.

14           Sec. 1954.003. REQUIRED AND PROHIBITED DISCLOSURES. A  
15 transportation network company shall provide to a participating  
16 driver a written disclosure, as part of the agreement between the  
17 company and the driver, of the company's transportation network  
18 insurance policy and the policy's limits of liability. The  
19 disclosure must notify the driver that the driver's personal  
20 automobile liability insurance policy does not provide coverage to  
21 the driver while the driver is providing transportation network  
22 services from the time the driver logs on to the company's  
23 online-enabled application or platform until the time the driver  
24 logs off of the application or platform.

25           SUBCHAPTER B. INSURANCE REQUIREMENTS

26           Sec. 1954.051. INSURANCE REQUIREMENTS IN GENERAL. A  
27 transportation network company and a participating driver shall

1 maintain transportation network insurance as provided by this  
2 chapter.

3 Sec. 1954.052. NETWORK INSURANCE PRIMARY. Transportation  
4 network insurance is the primary insurance as to the participating  
5 driver while the driver is providing transportation network  
6 services.

7 Sec. 1954.053. REQUIRED POLICY PROVISIONS. (a) Except to  
8 the extent of a conflict with this chapter, transportation network  
9 insurance coverage must satisfy the requirements of Subchapter D,  
10 Chapter 601, Transportation Code.

11 (b) Transportation network insurance must include uninsured  
12 or underinsured motorist coverage under Subchapter C, Chapter 1952,  
13 and personal injury protection coverage under Subchapter D, Chapter  
14 1952.

15 (c) Unless a participating driver's personal motor vehicle  
16 liability insurer is also providing transportation network  
17 insurance for the driver, transportation network insurance must  
18 contain collision physical damage coverage and comprehensive  
19 physical damage coverage if the driver's personal automobile  
20 liability insurance policy contains those coverages.

21 Sec. 1954.054. INSURANCE REQUIREMENTS: FROM RIDE  
22 ACCEPTANCE TO COMPLETION. A transportation network company shall  
23 maintain transportation network insurance that covers each  
24 participating driver beginning at the time the driver accepts a  
25 ride request on the company's online-enabled application or  
26 platform and ending at the later of:

27 (1) the time the driver completes the transaction on

1 the application or platform; or

2 (2) the time the passenger is no longer occupying the  
3 driver's vehicle.

4 Sec. 1954.055. INSURANCE REQUIREMENTS: BETWEEN RIDES. A  
5 transportation network company, a participating driver, or a  
6 combination of both shall maintain transportation network  
7 insurance that covers each driver for the periods:

8 (1) beginning at the time a driver logs on to the  
9 company's online-enabled application or platform and ending at the  
10 time the driver accepts a ride request; and

11 (2) beginning at the later of the time the driver  
12 completes a transaction on the company's online-enabled  
13 application or platform or the time the passenger is no longer  
14 occupying the driver's vehicle and ending at the later of the time  
15 the driver accepts another ride request on the application or  
16 platform or the time the driver logs off of the company's  
17 application or platform.

18 Sec. 1954.056. TERMINATION OF COVERAGE. If a  
19 transportation network insurance policy is maintained by a  
20 participating driver and the coverage terminates for any reason,  
21 the driver's transportation network company shall provide coverage  
22 as required by this chapter beginning at the time the driver's  
23 coverage terminates.

24 Sec. 1954.057. RELATION TO PERSONAL AUTOMOBILE LIABILITY  
25 INSURANCE. (a) Coverage under a transportation network insurance  
26 policy is not contingent on a participating driver's personal  
27 automobile liability insurer initially denying a claim.

1       (b) This chapter does not require a personal automobile  
2 liability insurance policy to cover a participating driver when the  
3 driver provides transportation network services.

4       (c) Except as expressly provided by the policy or an  
5 endorsement to the policy, a participating driver's or motor  
6 vehicle owner's personal automobile liability insurance policy  
7 does not provide liability insurance coverage or require the  
8 insurer to defend or indemnify a driver or vehicle owner while the  
9 vehicle is being used to provide transportation network services.

10 An insurer shall charge a separate premium for an endorsement  
11 described by this section.

12       (d) An insurer may not offer a personal automobile liability  
13 insurance policy or an endorsement to that policy that provides the  
14 coverage described by Subsection (c) for a private passenger  
15 vehicle or similar vehicle that has a capacity of greater than eight  
16 persons.

17       Sec. 1954.058. ASSISTANCE IN CLAIM INVESTIGATION. In an  
18 insurance claim investigation, a transportation network company  
19 shall assist each insurer involved in the claim by providing  
20 information, including the date and time at which an accident  
21 occurred and the precise time at which a participating driver  
22 logged on to or off of the company's online-enabled application or  
23 platform.

24       SECTION 2. The change in law made by this Act applies only  
25 to an insurance policy that is delivered, issued for delivery, or  
26 renewed on or after January 1, 2016. A policy delivered, issued for  
27 delivery, or renewed before January 1, 2016, is governed by the law

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1 as it existed immediately before the effective date of this Act, and  
2 that law is continued in effect for that purpose.

3 SECTION 3. This Act takes effect September 1, 2015.