

By: Paddie, Larson, Kuempel,
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H.B. No. 2440

Substitute the following for H.B. No. 2440:

By: Pickett

C.S.H.B. No. 2440

A BILL TO BE ENTITLED

AN ACT

1
2 relating to transportation network companies; imposing and
3 authorizing fees; requiring an occupational permit; authorizing a
4 civil penalty.

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

6 SECTION 1. Subtitle C, Title 14, Occupations Code, is
7 amended by adding Chapter 2402 to read as follows:

8 CHAPTER 2402. TRANSPORTATION NETWORK COMPANIES

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 2402.001. DEFINITIONS. In this chapter:

11 (1) "Board" means the board of the department.

12 (2) "Department" means the Texas Department of Motor
13 Vehicles.

14 (3) "Digital network" means any online-enabled
15 application, software, website, or system offered or used by a
16 transportation network company that enables the prearrangement of a
17 ride with a transportation network driver.

18 (4) "Personal vehicle" means a vehicle that is used by
19 a transportation network driver and is:

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

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

24 (5) "Transportation network company" means a

1 corporation, partnership, sole proprietorship, or other entity
2 operating in this state that uses a digital network to connect a
3 transportation network rider to transportation network services
4 provided by a transportation network driver. The term does not
5 include an entity arranging nonemergency medical transportation
6 under a contract with the state or a managed care organization for
7 individuals qualifying for Medicaid or Medicare.

8 (6) "Transportation network driver" means an
9 individual who:

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

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

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

23 (8) "Transportation network services" means
24 transportation provided by a transportation network driver to a
25 transportation network rider, beginning at the time the driver
26 accepts a ride requested by the rider through a digital network
27 controlled by a transportation network company, continuing while

1 the driver transports the rider, and ending at the time the last
2 requesting rider departs from the driver's personal vehicle. The
3 term does not include transportation provided using a taxicab,
4 limousine, or other similar for-hire vehicle authorized to be
5 licensed under Section 215.004, Local Government Code, or Section
6 22.081, Transportation Code.

7 Sec. 2402.002. NATURE OF TRANSPORTATION NETWORK COMPANIES,
8 DRIVERS, AND VEHICLES. (a) Transportation network companies and
9 transportation network drivers:

10 (1) are not common carriers, contract carriers, or
11 motor carriers; and

12 (2) do not provide:

13 (A) taxicab, limousine, or similar for-hire
14 service; or

15 (B) street hail service.

16 (b) A transportation network company:

17 (1) except as agreed by written contract:

18 (A) does not control, direct, or manage a
19 transportation network driver who connects to the company's digital
20 network; and

21 (B) does not own, control, operate, or manage
22 personal vehicles used by transportation network drivers; and

23 (2) is not a taxicab company or for-hire vehicle
24 owner.

25 Sec. 2402.003. CONTROLLING AUTHORITY. (a) Notwithstanding
26 any other provision of law, transportation network companies and
27 transportation network drivers are governed exclusively by this

1 chapter and any rules adopted by the board under this chapter.
2 Except as provided by Subsection (b) or (c), a municipality or other
3 local entity may not:

4 (1) impose a tax on or require a license for a
5 transportation network company or a transportation network driver;
6 or

7 (2) subject a transportation network company or
8 transportation network driver to the municipality's or other local
9 entity's rate, entry, operational, or other requirements.

10 (b) This chapter does not supersede a municipal, county, or
11 other local government regulation regarding transportation network
12 services at an airport.

13 (c) This chapter does not prohibit a municipality from
14 requiring by ordinance a transportation network company to access
15 the electronic clearinghouse and subscription service under
16 Section 411.0845, Government Code, for transportation network
17 drivers.

18 Sec. 2402.004. DRIVER AS COMMERCIAL TRANSPORTATION
19 COMPANY. A transportation network driver is a commercial
20 transportation company for the purposes of Chapter 660, Government
21 Code.

22 SUBCHAPTER B. PERMIT REQUIRED

23 Sec. 2402.051. PERMIT REQUIRED. (a) A person may not
24 operate a transportation network company in this state without
25 obtaining and maintaining a permit issued by the department.

26 (b) The department shall issue a permit to each applicant
27 that meets the requirements of this chapter and pays the fee

1 required by Section 2402.052.

2 Sec. 2402.052. FEE. (a) A transportation network company
3 must pay a fee of \$115,000 annually to the department to maintain a
4 permit under this chapter.

5 (b) A fee collected by the department under this section
6 shall be deposited to the credit of the Texas Department of Motor
7 Vehicles fund.

8 Sec. 2402.053. PERMIT APPLICATION. (a) An application for
9 a transportation network company permit must be on a form
10 prescribed by the department. The application must include
11 information that meets the requirements of this chapter and
12 information the board by rule determines is necessary to determine
13 the applicant's qualifications to adequately serve the public.

14 (b) The applicant shall notify the department of any
15 material change in the information included in an application not
16 later than the 10th calendar day after the date the change occurs.
17 The department shall prescribe a form for the disclosure of
18 material changes.

19 Sec. 2402.054. TERM; RENEWAL. (a) A permit issued under
20 this chapter is valid for two years. The department shall prescribe
21 the form and requirements necessary to apply for a renewal of a
22 permit.

23 (b) The department shall notify each person holding a permit
24 under this chapter of the date of permit expiration and the amount
25 of the fee required for permit renewal. The department shall send
26 the notice not later than the 30th day before the date of the permit
27 expiration.

1 SUBCHAPTER C. OPERATION OF TRANSPORTATION NETWORK COMPANIES

2 Sec. 2402.101. AGENT. A transportation network company
3 shall maintain an agent for service of process in this state.

4 Sec. 2402.102. FARES. A transportation network company
5 charging a fare for its services shall:

6 (1) disclose to transportation network riders the fare
7 calculation method within the company's software application
8 service or on the company's Internet website; and

9 (2) before a transportation network rider enters the
10 transportation network driver's personal vehicle, provide the
11 rider with:

12 (A) the applicable rates being charged for the
13 service; and

14 (B) the option to receive an estimated fare.

15 Sec. 2402.103. IDENTIFICATION OF VEHICLES AND DRIVERS. The
16 transportation network company's software application or Internet
17 website must display, before a transportation network rider enters
18 the transportation network driver's personal vehicle:

19 (1) a picture of the transportation network driver;
20 and

21 (2) the vehicle's license plate number.

22 Sec. 2402.104. ELECTRONIC RECEIPT. Within a reasonable
23 period of time following the completion of a trip, a transportation
24 network company shall transmit an electronic receipt to the
25 transportation network rider that lists:

26 (1) the origin and destination of the trip;

27 (2) the total time and distance of the trip; and

1 (3) an itemization of the total fare paid, if any.

2 Sec. 2402.105. INSURANCE. Insurance requirements for
3 transportation network companies and transportation network
4 drivers are governed by Chapter 1954, Insurance Code.

5 Sec. 2402.106. ZERO-TOLERANCE POLICY FOR DRUG OR ALCOHOL
6 USE. (a) A transportation network company shall:

7 (1) implement a zero-tolerance policy that prohibits a
8 transportation network driver from using or being under the
9 influence of drugs or alcohol when the driver:

10 (A) is providing transportation network
11 services; or

12 (B) is logged on to the transportation network
13 company's digital network but is not providing transportation
14 network services; and

15 (2) post on its Internet website:

16 (A) notice of the policy; and

17 (B) procedures to report a complaint about a
18 driver with whom a transportation network rider was matched and who
19 the rider reasonably suspects was using or was under the influence
20 of drugs or alcohol during the course of the trip.

21 (b) On receipt of a complaint alleging a violation of the
22 zero-tolerance policy, the transportation network company shall:

23 (1) conduct an investigation into the reported
24 incident; and

25 (2) immediately suspend the transportation network
26 driver's access to the company's digital network for the duration of
27 the investigation.

1 (c) The transportation network company shall maintain
2 records relevant to a complaint for a period of at least two years
3 after the date the complaint is received.

4 Sec. 2402.107. DRIVER REQUIREMENTS. (a) Before allowing an
5 individual to act as a transportation network driver on its digital
6 network, a transportation network company shall:

7 (1) require the individual to submit an application to
8 the company, which must include information regarding the
9 individual's address, age, driver's license, driving history, motor
10 vehicle registration, motor vehicle liability insurance, and other
11 information required by the company;

12 (2) conduct, or have a third party conduct, a local and
13 national criminal background check for each individual that
14 includes the use of:

15 (A) a commercial multistate and
16 multijurisdiction criminal records locator with primary source
17 validation; and

18 (B) the national sex offender registry database
19 maintained by the United States Department of Justice or successor
20 agency; and

21 (3) obtain and review the individual's driving record.

22 (b) The transportation network company may not permit to act
23 as a transportation network driver on its digital network an
24 individual who:

25 (1) has been convicted of:

26 (A) more than three offenses classified by the
27 Department of Public Safety as moving violations in the preceding

1 three-year period; or
2 (B) one of the following offenses in the
3 preceding three-year period:
4 (i) evading arrest or detention under
5 Section 38.04, Penal Code;
6 (ii) reckless driving under Section
7 545.401, Transportation Code;
8 (iii) driving without a valid driver's
9 license under Section 521.025, Transportation Code; or
10 (iv) driving with an invalid driver's
11 license under Section 521.457, Transportation Code;
12 (2) has been convicted, in the preceding seven-year
13 period, of driving while intoxicated under Section 49.04 or 49.045,
14 Penal Code;
15 (3) has been convicted at any time of:
16 (A) fraud;
17 (B) a sexual offense;
18 (C) use of a motor vehicle to commit:
19 (i) a felony;
20 (ii) a crime involving property damage;
21 (iii) theft;
22 (iv) an act of violence; or
23 (v) an offense of making a terroristic
24 threat; or
25 (D) an offense listed in Section 3g(a)(1),
26 Article 42.12, Code of Criminal Procedure;
27 (4) is a match in the national sex offender registry

1 database;

2 (5) does not possess a valid driver's license;

3 (6) does not possess proof of registration or
4 financial responsibility for the motor vehicle used to provide
5 transportation network services; or

6 (7) is younger than 19 years of age.

7 Sec. 2402.108. VEHICLE SAFETY AND EMISSIONS. A
8 transportation network company shall require that each motor
9 vehicle that a transportation network driver will use to provide
10 transportation network services meets the requirements of Chapter
11 548, Transportation Code.

12 Sec. 2402.109. NO STREET HAILS. A transportation network
13 driver may accept only rides booked through a transportation
14 network company's digital network or software application service
15 and may not solicit or accept street hails.

16 Sec. 2402.110. NO CASH TRIPS. The transportation network
17 company shall prohibit solicitation or acceptance of cash payments
18 from transportation network riders and notify transportation
19 network drivers of the prohibition. A transportation network
20 driver may not solicit or accept cash payments from riders. Payment
21 for transportation network services may be made only electronically
22 using the transportation network company's digital network or
23 software application.

24 Sec. 2402.111. NO DISCRIMINATION; ACCESSIBILITY. (a) A
25 transportation network company shall adopt policies concerning
26 nondiscrimination that comply with state and federal law.

27 (b) A transportation network driver shall follow all

1 policies concerning nondiscrimination and accessibility that
2 comply with state and federal law.

3 (c) A transportation network driver shall comply with all
4 applicable laws relating to accommodation of service animals.

5 (d) A transportation network company may not impose
6 additional charges for providing services to persons with physical
7 disabilities because of those disabilities.

8 (e) A transportation network company shall provide
9 transportation network riders an opportunity to indicate whether
10 they require a wheelchair-accessible vehicle. If a transportation
11 network company is unable to arrange wheelchair-accessible
12 transportation network service, the company shall direct the rider
13 to an alternate provider of wheelchair-accessible service, if
14 available.

15 (f) A transportation network driver may not discriminate in
16 the provision of transportation network services based on the
17 geographic location of a departure point or destination, except
18 that a driver may refuse a request for a ride that is farther than 30
19 miles between the departure point and the destination.

20 Sec. 2402.112. ACCESSIBLE TRANSPORTATION; SURCHARGE. (a)
21 The department may impose a fee, not to exceed \$10,000 annually, on
22 transportation network companies, taxicab companies, and limousine
23 and other for-hire vehicle companies that do not provide
24 wheelchair-accessible service and remit the fees to the comptroller
25 for deposit in a trust fund outside the state treasury to be held by
26 the comptroller and administered by the department to provide
27 grants to transportation network companies, taxicab companies, and

1 limousine and other for-hire vehicle companies that provide
2 wheelchair-accessible service.

3 (b) A grant distributed under Subsection (a):

4 (1) may be in an amount not to exceed \$15,000; and

5 (2) may be distributed only to a company that meets a
6 minimum level of service as determined by board rule.

7 (c) The department shall implement a program in conjunction
8 with any transportation network company operating in Austin on
9 September 1, 2015, that desires to participate to conduct a pilot
10 project to offer services to persons with disabilities.

11 (d) Not later than January 1, 2017, the department, in
12 conjunction with any transportation network company that
13 participated in the pilot project, shall report to the public and
14 the legislature on the findings of the program implemented under
15 Subsection (c) regarding:

16 (1) the average fares for providing the services;

17 (2) costs incurred in providing the services;

18 (3) the average response time for providing the
19 services; and

20 (4) other information useful to the legislature in
21 developing public policy related to transportation network
22 companies.

23 Sec. 2402.113. RECORDS. A transportation network company
24 shall maintain:

25 (1) individual trip records for at least one year
26 after the date the trip was provided; and

27 (2) transportation network driver records at least

1 until the first anniversary of the date on which a transportation
2 network driver's activation on the company's digital network has
3 ended.

4 Sec. 2402.114. PERSONALLY IDENTIFIABLE INFORMATION. (a) A
5 transportation network company may not disclose a transportation
6 network rider's personally identifiable information to a third
7 party unless:

8 (1) the rider consents to the disclosure;

9 (2) disclosure is required by a legal obligation; or

10 (3) disclosure is required to:

11 (A) protect or defend the terms of use of the
12 service; or

13 (B) investigate violations of those terms.

14 (b) In addition to the disclosures authorized under
15 Subsection (a), a transportation network company may share a
16 transportation network rider's name or telephone number with the
17 transportation network driver providing transportation network
18 services to the rider to facilitate correct identification of the
19 rider by the transportation network driver or to facilitate
20 communication between the rider and the transportation network
21 driver.

22 SUBCHAPTER D. ENFORCEMENT

23 Sec. 2402.151. RECORD AUDITS. (a) The department may audit
24 the records of a transportation network company in connection with
25 the performance of its duties under this chapter through:

26 (1) investigations of specific alleged violations; or

27 (2) a random sample of the transportation network

1 company's records related to transportation network drivers.

2 (b) A transportation network company whose place of
3 business is located outside of this state may choose to make records
4 available at a location outside of this state if:

5 (1) the company and the department agree on the
6 location; and

7 (2) the company agrees to reimburse the department
8 for:

9 (A) necessary travel expenses; and

10 (B) a per diem as set by the state for each day
11 that an inspection or investigation related to the records is
12 conducted.

13 (c) Records maintained by a transportation network company
14 regarding transportation network driver background checks under
15 Section 2402.107 or transportation network riders' personally
16 identifiable information are not subject to release under Chapter
17 552, Government Code, and the department does not have a right of
18 access to those records for purposes of that chapter.

19 (d) Failure to provide records as required by this section
20 is a violation of this chapter.

21 Sec. 2402.152. HEARINGS. (a) A hearing arising under this
22 chapter or a board rule adopted under this chapter must be conducted
23 in accordance with this chapter, any order, decision, or rule of the
24 board, and Chapter 2001, Government Code.

25 (b) A hearing may be informally disposed of in accordance
26 with Chapter 2001, Government Code.

27 (c) A hearing under this chapter must be held by an

1 administrative law judge of the State Office of Administrative
2 Hearings.

3 (d) An administrative law judge has all of the board's
4 authority as provided by this chapter to conduct hearings arising
5 under this chapter, including the power to:

6 (1) hold a hearing;

7 (2) administer an oath;

8 (3) receive pleadings and evidence;

9 (4) issue a subpoena to compel the attendance of a
10 witness;

11 (5) compel the production of papers and documents;

12 (6) issue an interlocutory order, including a cease
13 and desist order in the form of a temporary restraining order or a
14 temporary injunction;

15 (7) make findings of fact and conclusions of law; and

16 (8) issue a proposal for decision and recommend a
17 final order.

18 Sec. 2402.153. DISCIPLINARY ACTION; CIVIL PENALTY. (a)
19 The department, after notice and opportunity for hearing, may deny
20 an application for a permit or suspend or revoke a permit if the
21 applicant or permit holder:

22 (1) makes a material misrepresentation or omission in
23 any application or other information filed under this chapter or
24 board rules;

25 (2) violates this chapter or a board rule or order;

26 (3) violates any law relating to the operation of a
27 transportation network company; or

1 (4) fails to maintain the qualifications for a permit.

2 (b) A proceeding under this section is subject to Chapter
3 2001, Government Code.

4 (c) In addition to the authority under Subsection (a), the
5 board, after notice and opportunity for hearing, may request that
6 the attorney general bring an action against a person that has
7 violated this chapter or board rules to collect a civil penalty in
8 an amount not to exceed \$10,000 for each violation. Each act in
9 violation of this chapter and board rules and each day a violation
10 continues is a separate violation. In determining the amount of
11 the penalty, the board shall consider:

12 (1) the seriousness of the violation, including the
13 nature, circumstances, extent, and gravity of any prohibited act,
14 and the harm or potential harm to the safety of the public;

15 (2) the economic damage to the public caused by the
16 violation;

17 (3) the history of previous violations;

18 (4) the amount necessary to deter a future violation;

19 (5) efforts to correct the violation; and

20 (6) any other matter that justice may require.

21 (d) Notwithstanding any other law to the contrary, a civil
22 penalty recovered under this section shall be deposited in the
23 state treasury to the credit of the Texas Department of Motor
24 Vehicles fund.

25 Sec. 2402.154. COMPLAINT PROCEDURE AND NOTICE. (a) A
26 transportation network company shall establish and maintain a
27 complaint procedure through which any transportation network rider

1 or other person using the transportation network service may submit
2 a complaint with the department about the company, the
3 transportation network service, a transportation network driver,
4 or another affiliate of the company.

5 (b) A transportation network company shall provide notice
6 of the complaint procedure provided by this section to each
7 transportation network rider and to each person that contacts the
8 company to inquire about transportation network services.

9 (c) A transportation network company shall provide notice
10 of the complaint procedure under this section on each electronic
11 receipt required by Section 2402.104.

12 (d) The department shall approve the content and manner of
13 delivery of the notice required by Subsections (a), (b), and (c).

14 (e) Failure to provide notice as required by this section is
15 a violation of this chapter.

16 SECTION 2. Subtitle C, Title 10, Insurance Code, is amended
17 by adding Chapter 1954 to read as follows:

18 CHAPTER 1954. INSURANCE FOR TRANSPORTATION NETWORK DRIVERS

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Sec. 1954.001. DEFINITIONS. In this chapter, the following
21 terms have the meanings assigned by Section 2402.001, Occupations
22 Code:

- 23 (1) "digital network";
24 (2) "personal vehicle";
25 (3) "transportation network company";
26 (4) "transportation network driver";
27 (5) "transportation network rider"; and

1 (6) "transportation network services".

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

6 SUBCHAPTER B. INSURANCE REQUIREMENTS

7 Sec. 1954.051. GENERAL INSURANCE REQUIREMENT. (a) A
8 transportation network driver or transportation network company on
9 the driver's behalf shall maintain primary automobile insurance as
10 required by this subchapter.

11 (b) Insurance maintained under this subchapter must allow a
12 transportation network driver to use a personal vehicle to
13 transport transportation network riders for compensation and cover
14 the driver while:

15 (1) the driver is logged on to the transportation
16 network company's digital network as provided by Section 1954.052;
17 or

18 (2) the driver is providing transportation network
19 services as provided by Section 1954.053.

20 (c) Insurance maintained under this subchapter must comply
21 with the law applicable to personal automobile insurance in this
22 state, including this subtitle and Chapter 601, Transportation
23 Code.

24 (d) The coverage requirements of this subchapter may be
25 satisfied by:

26 (1) automobile insurance maintained by the
27 transportation network driver;

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

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

4 (e) Insurance required under this subchapter may be placed
5 with an automobile insurer authorized to engage in business in this
6 state or with an eligible surplus lines insurer.

7 Sec. 1954.052. INSURANCE REQUIREMENTS: WHEN NOT PROVIDING
8 SERVICES. At the time a transportation network driver is logged on
9 to the transportation network company's digital network and is
10 available to receive transportation network requests but is not
11 providing transportation network services, the automobile
12 insurance policy must provide:

13 (1) the following minimum amounts of liability
14 insurance coverage:

15 (A) \$50,000 for bodily injury to or death for
16 each person in an incident;

17 (B) \$100,000 for bodily injury to or death of a
18 person per incident; and

19 (C) \$25,000 for damage to or destruction of
20 property of others in an incident;

21 (2) uninsured or underinsured motorist coverage where
22 required by Section 1952.101; and

23 (3) personal injury protection coverage where
24 required by Section 1952.152.

25 Sec. 1954.053. INSURANCE REQUIREMENTS: WHILE PROVIDING
26 SERVICES. At the time a transportation network driver is providing
27 transportation network services, the automobile insurance policy

1 must provide, at minimum:

2 (1) coverage with a total aggregate limit of liability
3 of \$1 million for death, bodily injury, and property damage for each
4 incident;

5 (2) uninsured or underinsured motorist coverage where
6 required by Section 1952.101; and

7 (3) personal injury protection coverage where
8 required by Section 1952.152.

9 Sec. 1954.054. LAPSE OF OR INSUFFICIENT COVERAGE. If an
10 insurance policy maintained by a transportation network driver
11 under this subchapter has lapsed or does not provide the coverage
12 required by this subchapter, the transportation network company
13 shall provide the coverage required by this subchapter beginning
14 with the first dollar of a claim against the driver.

15 Sec. 1954.055. RELATION TO PERSONAL AUTOMOBILE INSURANCE.
16 Coverage under an automobile insurance policy maintained by the
17 transportation network company is not contingent on a
18 transportation network driver's personal automobile insurer
19 initially denying a claim.

20 Sec. 1954.056. FINANCIAL RESPONSIBILITY. (a) Insurance
21 satisfying the requirements of this subchapter satisfies the
22 financial responsibility requirement for an automobile under
23 Chapter 601, Transportation Code.

24 (b) A transportation network driver shall carry proof of
25 insurance that satisfies Sections 1954.052 and 1954.053 with the
26 driver when the driver uses a personal vehicle in connection with a
27 transportation network company's digital network. In the event of

1 an accident, a driver shall provide the proof of insurance to a
2 directly interested person, automobile insurer, and investigating
3 peace officer on request under Section 601.053, Transportation
4 Code. On request, a driver shall also disclose to a directly
5 interested person, automobile insurer, and investigating peace
6 officer whether, at the time of the accident, the driver was:

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

8 (2) providing transportation network services.

9 Sec. 1954.057. PAYMENT DIRECTLY TO REPAIRING BUSINESS. If
10 a transportation network company's insurer makes a payment for a
11 claim covered under comprehensive or collision coverage, the
12 transportation network company shall cause its insurer to issue the
13 payment directly to the business repairing the vehicle or jointly
14 to the owner of the vehicle and the primary lienholder on the
15 covered vehicle.

16 SUBCHAPTER C. REQUIRED DISCLOSURES TO TRANSPORTATION NETWORK

17 DRIVER

18 Sec. 1954.101. REQUIRED DISCLOSURES. Before a
19 transportation network driver may accept a request for
20 transportation network services on a transportation network
21 company's digital network, the company shall disclose in writing
22 the following:

23 (1) the insurance policy, including the types of
24 coverage and the limits for the policy, that the company provides
25 while a driver uses a personal vehicle in connection with the
26 company's digital network; and

27 (2) that the driver's personal automobile insurance

1 policy may not provide coverage, depending on the policy's terms,
2 while the driver is logged on to the company's digital network and
3 is available to receive transportation requests or is engaged in
4 transportation network services.

5 SUBCHAPTER D. PERSONAL AUTOMOBILE INSURANCE

6 Sec. 1954.151. AUTHORIZED EXCLUSIONS FROM COVERAGE. (a)

7 An insurer may exclude from coverage under a personal automobile
8 insurance policy issued to an owner or operator of a personal
9 vehicle any loss or injury that occurs while a transportation
10 network driver using the personal vehicle:

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

13 (2) is providing transportation network services.

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

16 (1) liability coverage for bodily injury and property
17 damage;

18 (2) personal injury protection coverage under
19 Subchapter D, Chapter 1952;

20 (3) uninsured and underinsured motorist coverage;

21 (4) medical payment coverage;

22 (5) comprehensive physical damage coverage; and

23 (6) collision physical damage coverage.

24 (c) An exclusion authorized under this section applies
25 notwithstanding a financial responsibility requirement under
26 Chapter 601, Transportation Code.

27 (d) This subchapter may not be construed to invalidate or

1 limit an exclusion contained in a policy form, including a policy
2 form in use or approved for use in this state before September 1,
3 2015, that excludes coverage for automobiles used to carry persons
4 or property for compensation or available for hire by the public.

5 Sec. 1954.152. COVERAGE UNDER PERSONAL AUTOMOBILE
6 INSURANCE NOT REQUIRED. (a) This subchapter does not require a
7 personal automobile insurance policy to cover a transportation
8 network driver while:

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

11 (2) the driver is providing transportation network
12 services; or

13 (3) the driver otherwise uses a vehicle to transport
14 passengers for compensation.

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

18 Sec. 1954.153. DEFENSE OR INDEMNIFICATION OF CLAIM. (a) An
19 automobile insurer that issues a personal automobile insurance
20 policy that includes an exclusion from coverage authorized by
21 Section 1954.151 does not have a duty to defend or indemnify a claim
22 arising from an event subject to the exclusion.

23 (b) An automobile insurer that defends or indemnifies a
24 claim against a transportation network driver for which coverage is
25 excluded under the terms of the policy as authorized by this
26 subchapter has a right of contribution against another insurer that
27 provides automobile insurance to the driver in satisfaction of the

1 coverage requirements under Section 1954.052 or 1954.053, as
2 applicable.

3 Sec. 1954.154. ASSISTANCE IN CLAIM INVESTIGATION. In an
4 insurance claim investigation, a transportation network company
5 and any insurer providing coverage under Subchapter B shall assist
6 each insurer involved in the claim by providing information to
7 directly interested persons and an insurer of the transportation
8 network driver. Information provided under this section must
9 include:

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

14 (2) a clear description of the coverage, exclusions,
15 and limits provided under an automobile insurance policy maintained
16 under Subchapter B.

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