

By: Hull

H.B. No. 2039

A BILL TO BE ENTITLED

AN ACT

relating to automobile liability insurance for digital network  
company drivers.

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

SECTION 1. The heading to Chapter 1954, Insurance Code, is  
amended to read as follows:

CHAPTER 1954. INSURANCE FOR DIGITAL [~~TRANSPORTATION~~] NETWORK  
COMPANY DRIVERS

SECTION 2. Section 1954.001, Insurance Code, is amended to  
read as follows:

Sec. 1954.001. DEFINITIONS. In this chapter:

(1) "Delivery available period" means the period when  
a driver:

(A) has logged on to a digital network and is  
available to receive requests to provide delivery services from a  
delivery network company;

(B) is operating a personal vehicle; and

(C) is not providing delivery services or  
operating in the delivery service period.

(2) "Delivery network company" means a corporation,  
partnership, sole proprietorship, or other entity operating in this  
state that uses a digital network to connect a delivery network  
company customer to a delivery network company driver to provide  
delivery services.

1           (3) "Delivery network company customer" means a person  
2 who orders the delivery of goods that are delivered by a delivery  
3 network company driver at the direction of the person.

4           (4) "Delivery network company driver" means an  
5 individual who provides delivery services through a delivery  
6 network company's digital network using a personal vehicle.

7           (5) "Delivery service period" means the period:

8                   (A) beginning when a delivery network company  
9 driver begins operating a personal vehicle on the way to pick up  
10 goods for a delivery or series of deliveries as documented through a  
11 digital network controlled by a delivery network company;

12                   (B) continuing while the driver transports the  
13 requested goods; and

14                   (C) ending on delivery of the requested goods to:

15                           (i) the delivery network company customer  
16 or the last customer in a series of deliveries;

17                           (ii) a location designated by the customer  
18 or arrival at the last location designated in a series of  
19 deliveries; or

20                           (iii) a location designated by the company,  
21 including for purposes of returning the goods.

22           (6) "Delivery services" means the fulfillment of  
23 delivery requests made by a delivery network company customer  
24 through a digital network, including the pickup and delivery of  
25 goods. The term includes a series of deliveries to different  
26 customers or to different locations at the direction of a customer.

27           (7) "Digital network" means any online-enabled

1 application, software, website, or system offered or used by a  
2 digital [~~transportation~~] network company that enables:

3           (A) a prearranged ride with a transportation  
4 network company driver; or

5           (B) delivery services from a delivery network  
6 company driver.

7           (8) "Digital network company" means a delivery network  
8 company or transportation network company.

9           (9) "Digital network company driver" means a delivery  
10 network company driver or transportation network company driver.

11           (10) [~~(2)~~] "Personal vehicle" means a vehicle that is  
12 used by a digital [~~transportation~~] network company driver and is:

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

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

17           (11) [~~(3)~~] "Prearranged ride" means transportation  
18 provided by a transportation network company driver to a  
19 transportation network company rider, beginning at the time a  
20 driver accepts a ride requested by a rider through a digital network  
21 controlled by a transportation network company and ending at the  
22 time the last requesting rider departs from the driver's personal  
23 vehicle. The term does not include:

24           (A) a shared expense carpool or vanpool  
25 arrangement or service; or

26           (B) transportation provided using a taxicab,  
27 limousine, or similar for-hire vehicle.

1           (12) [~~(4)~~] "Transportation network company" means a  
2 corporation, partnership, sole proprietorship, or other entity  
3 operating in this state that uses a digital network to connect a  
4 transportation network company rider to a transportation network  
5 company driver for a prearranged ride.

6           (13) [~~(5)~~] "Transportation network company driver"  
7 means an individual who:

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

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

16           (14) [~~(6)~~] "Transportation network company rider"  
17 means an individual who uses a transportation network company's  
18 digital network to connect with a transportation network company  
19 driver who provides a prearranged ride to the individual in the  
20 driver's personal vehicle between points chosen by the individual.

21           SECTION 3. Subchapter A, Chapter 1954, Insurance Code, is  
22 amended by adding Sections 1954.003 and 1954.004 to read as  
23 follows:

24           Sec. 1954.003. APPLICABILITY OF OTHER LAW. This chapter  
25 does not limit the scope of federal or state law regarding delivery  
26 or transport of goods. A person providing a delivery service that is  
27 subject to other law shall comply with the other law. In the event

1 of a conflict between this chapter and the other law, the other law  
2 prevails.

3 Sec. 1954.004. CONSTRUCTION OF CHAPTER. This chapter may  
4 not be construed to invalidate, limit, or restrict:

5 (1) an automobile insurer's ability under the law to  
6 write an insurance policy; or

7 (2) an automobile insurer's ability under the law to  
8 cancel or not renew an insurance policy.

9 SECTION 4. Section 1954.051, Insurance Code, is amended by  
10 amending Subsections (a) and (d) and adding Subsection (b-1) to  
11 read as follows:

12 (a) A digital [~~transportation~~] network company driver or  
13 digital [~~transportation~~] network company on the driver's behalf  
14 shall maintain primary automobile insurance as required by this  
15 subchapter.

16 (b-1) Insurance maintained under this subchapter must allow  
17 a delivery network company driver to use a personal vehicle to  
18 provide delivery services for compensation and cover the driver  
19 during the delivery available period, if applicable, and delivery  
20 service period.

21 (d) The coverage requirements of this subchapter may be  
22 satisfied by:

23 (1) automobile insurance maintained by the digital  
24 [~~transportation~~] network company driver;

25 (2) automobile insurance maintained by the digital  
26 [~~transportation~~] network company; or

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

1 SECTION 5. Subchapter B, Chapter 1954, Insurance Code, is  
2 amended by adding Section 1954.0535 to read as follows:

3 Sec. 1954.0535. INSURANCE REQUIREMENTS: DELIVERY AVAILABLE  
4 PERIOD AND DELIVERY SERVICE PERIOD. During the delivery available  
5 period and delivery service period, the automobile insurance policy  
6 must provide:

7 (1) the following minimum amounts of liability  
8 insurance coverage:

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

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

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

15 (2) uninsured or underinsured motorist coverage where  
16 required by Section 1952.101; and

17 (3) personal injury protection coverage where  
18 required by Section 1952.152.

19 SECTION 6. Sections 1954.054 and 1954.055, Insurance Code,  
20 are amended to read as follows:

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

1           Sec. 1954.055. RELATION TO PERSONAL AUTOMOBILE  
2 INSURANCE. Coverage under an automobile insurance policy  
3 maintained by a digital [~~the transportation~~] network company is not  
4 contingent on a digital [~~transportation~~] network company driver's  
5 personal automobile insurer initially denying a claim.

6           SECTION 7. Section 1954.056(b), Insurance Code, is amended  
7 to read as follows:

8           (b) A digital [~~transportation~~] network company driver shall  
9 carry proof of insurance that satisfies Sections 1954.052 and  
10 1954.053 or Section 1954.0535, as applicable, with the driver when  
11 the driver uses a vehicle in connection with a digital  
12 [~~transportation~~] network company's digital network. In the event  
13 of an accident, a driver shall provide the proof of insurance to a  
14 directly interested person, automobile insurer, and investigating  
15 peace officer on request under Section 601.053, Transportation  
16 Code. On request, a driver shall also disclose to a directly  
17 interested person, automobile insurer, and investigating peace  
18 officer whether, at the time of the accident, the driver was, as  
19 applicable:

20                   (1) logged on to the transportation network company's  
21 digital network[+] or

22                   [~~(2)~~] engaged in a prearranged ride; or

23                   (2) logged on to the delivery network company's  
24 digital network during a delivery available period or delivery  
25 service period.

26           SECTION 8. The heading to Subchapter C, Chapter 1954,  
27 Insurance Code, is amended to read as follows:

1 SUBCHAPTER C. RELATIONSHIP BETWEEN DIGITAL [~~TRANSPORTATION~~]  
2 NETWORK COMPANY AND DIGITAL [~~TRANSPORTATION~~] NETWORK COMPANY  
3 DRIVER

4 SECTION 9. Sections 1954.101 and 1954.102, Insurance Code,  
5 are amended to read as follows:

6 Sec. 1954.101. REQUIRED DISCLOSURES. Before a digital  
7 [~~transportation~~] network company driver may accept a request for a  
8 prearranged ride or delivery services on a digital [~~transportation~~]  
9 network company's digital network, the company shall disclose in  
10 writing the following:

11 (1) the insurance policy, including the types of  
12 coverage and the limits for the policy, that the company provides  
13 while a driver uses a personal vehicle in connection with the  
14 company's digital network; and

15 (2) that the driver's personal automobile insurance  
16 policy may not provide coverage, depending on the policy's terms,  
17 while the driver is logged on to, as applicable:

18 (A) the transportation network company's digital  
19 network and is available to receive transportation requests or is  
20 engaged in a prearranged ride; or

21 (B) the delivery network company's digital  
22 network during the delivery available period or delivery service  
23 period.

24 Sec. 1954.102. CONTROL OF DIGITAL [~~TRANSPORTATION~~] NETWORK  
25 COMPANY DRIVERS. A digital [~~transportation~~] network company does  
26 not control, direct, or manage a personal vehicle or a digital  
27 [~~transportation~~] network company driver who connects to the



1 company's digital network except as agreed by written contract.

2 SECTION 10. Section 1954.151(a), Insurance Code, is amended  
3 to read as follows:

4 (a) An insurer may exclude from coverage under a personal  
5 automobile insurance policy issued to an owner or operator of a  
6 personal vehicle any loss or injury that occurs while a digital  
7 [~~transportation~~] network company driver using the personal  
8 vehicle, as applicable:

9 (1) is logged on to a transportation network company's  
10 digital network [~~+~~] or

11 [~~(2)~~] is engaged in a prearranged ride; or

12 (2) is logged on to a delivery network company's  
13 digital network during a delivery available period or delivery  
14 service period.

15 SECTION 11. Section 1954.152(a), Insurance Code, is amended  
16 to read as follows:

17 (a) This subchapter does not require a personal automobile  
18 insurance policy to cover a digital [~~transportation~~] network  
19 company driver while:

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

22 (2) the driver is engaged in a prearranged ride; [~~or~~]

23 (3) the driver is logged on to a delivery network  
24 company's digital network during a delivery available period or  
25 delivery service period; or

26 (4) the driver otherwise uses a vehicle to transport  
27 passengers for compensation.

1 SECTION 12. Section 1954.153(b), Insurance Code, is amended  
2 to read as follows:

3 (b) An automobile insurer that defends or indemnifies a  
4 claim against a digital [~~transportation~~] network company driver for  
5 which coverage is excluded under the terms of the policy as  
6 authorized by this subchapter has a right of contribution against  
7 another insurer that provides automobile insurance to the driver in  
8 satisfaction of the coverage requirements under Section 1954.052,  
9 [~~or~~] 1954.053, or 1954.0535, as applicable.

10 SECTION 13. Sections 1954.154 and 1954.155, Insurance Code,  
11 are amended to read as follows:

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

19 (1) the precise times that, as applicable:

20 (A) a driver logged on and off of the  
21 transportation network company's digital network in the 12-hour  
22 period immediately preceding and the 12-hour period immediately  
23 following the accident; or

24 (B) a driver began and ended the delivery  
25 available period and delivery service period on the delivery  
26 network company's digital network in the 12-hour period immediately  
27 preceding and the 12-hour period immediately following the

1 accident; and

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

5           Sec. 1954.155. PAYMENT OF CERTAIN CLAIMS. If there is a  
6 lien on a personal vehicle and the digital [~~transportation~~] network  
7 company's insurer covers a claim arising out of an incident that  
8 occurred during a prearranged ride or delivery available period or  
9 delivery service period, as applicable, the insurer shall issue  
10 payment for the claim:

11                   (1) directly to the person who is repairing the  
12 vehicle; or

13                   (2) jointly to the owner of the personal vehicle and  
14 the primary lienholder.

15           SECTION 14. This Act takes effect January 1, 2024.