

SENATE BILL NO. 381

INTRODUCED BY T. FACEY

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A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING INSURANCE REQUIREMENTS FOR TRANSPORTATION NETWORK COMPANIES; AND PROVIDING DISCLOSURE REQUIREMENTS."

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

NEW SECTION. **Section 1. Transportation network -- definitions.** As used in [sections 1 through 7], the following definitions apply:

(1) "Transportation network company" means an organization, including but not limited to a corporation, limited liability company, partnership, sole proprietor, or any other entity, operating in Montana that provides prearranged transportation services for compensation using an online-enabled application or platform to connect passengers with drivers using a personal vehicle.

(2) "Participating driver" or "driver" means any person who uses a vehicle in connection with a transportation network company's online-enabled application or platform to connect with passengers.

(3) "Transportation network company insurance" means an insurance policy that specifically covers a driver's use of a vehicle in connection with a transportation network company's online-enabled application or platform.

NEW SECTION. **Section 2. Transportation network -- insurance disclosure.** A transportation network company shall disclose in writing to participating drivers, as part of its agreement with those drivers, the insurance coverage and limits of liability that the transportation network company provides while the driver uses a vehicle in connection with a transportation network company's online-enabled application or platform. A transportation network company shall advise a participating driver in writing that the driver's personal automobile insurance policy may not provide any required or optional coverage because the driver uses a vehicle in connection with a transportation network company's online-enabled application or platform.

NEW SECTION. **Section 3. Transportation network insurance -- requirements.** (1) A transportation network company and a participating driver shall maintain transportation network company insurance as provided

1 in this section.

2 (2) (a) From the time a participating driver accepts a ride request on the transportation network  
3 company's online-enabled application or platform until the driver completes the transaction on the online-enabled  
4 application or platform or until the ride is complete, whichever is later, the transportation network company  
5 insurance must provide:

6 (i) primary liability coverage in the amount of \$1 million for death, bodily injury, and property damage;  
7 (ii) uninsured motorist coverage and underinsured motorist coverage in the amount of \$1 million; and  
8 (iii) collision physical damage coverage and comprehensive physical damage coverage if the participating  
9 driver carries those coverages on the driver's personal automobile policy unless the insurer that provides those  
10 coverages also provides transportation network company insurance to the driver.

11 (b) Subject to subsection (2)(c), the coverage requirements of this subsection (2) must be satisfied by:

12 (i) transportation network company insurance maintained by a participating driver;  
13 (ii) transportation network company insurance maintained by a transportation network company; or  
14 (iii) a combination of the coverages provided for in subsections (2)(b)(i) and (2)(b)(ii).

15 (c) A transportation network company may meet its obligations under this subsection (2) through a policy  
16 obtained by a participating driver pursuant to subsection (2)(b)(i) or (2)(b)(iii) only if the transportation network  
17 company verifies that the policy is maintained by the driver and is specifically written to cover the driver's use of  
18 a vehicle in connection with a transportation network company's online-enabled application or platform.

19 (3) From the time a participating driver logs on to the transportation network company's online-enabled  
20 application or platform until the driver accepts a request to transport a passenger, and from the time the driver  
21 completes the transaction on the online-enabled application or platform or the ride is complete, whichever is later,  
22 until the driver either accepts another ride request on the online-enabled application or platform or logs off the  
23 online-enabled application or platform, transportation network company insurance must provide:

24 (a) (i) liability insurance meeting the minimum coverage requirements of 61-6-103(1)(b); and  
25 (ii) collision physical damage coverage and comprehensive physical damage coverage if the participating  
26 driver carries those coverages on the driver's personal automobile policy unless the insurer that provides those  
27 coverages also provides transportation network company insurance to the driver.

28 (b) The coverage requirements of this subsection (3) may be satisfied by the following:

29 (i) (A) transportation network company insurance maintained by a participating driver; and  
30 (B) transportation network company insurance maintained by a transportation network company that

1 provides coverage in the event a participating driver's insurance policy under subsection (3)(b)(i) has ceased to  
2 exist or has been canceled, or the participating driver does not otherwise maintain transportation network  
3 company insurance pursuant to this subsection (3); or

4 (ii) transportation network company insurance maintained by a transportation network company.

5 (4) An insurer providing transportation network company insurance under this section has a duty to  
6 defend and indemnify the insured.

7 (5) Coverage under a transportation network company insurance policy may not be dependent on a  
8 personal automobile insurance policy first denying a claim and a personal automobile insurance policy may not  
9 be required to first deny a claim.

10 (6) If transportation network company insurance maintained by a participating driver under this section  
11 has lapsed or ceased to exist, the transportation network company shall provide the coverage required by this  
12 section beginning with the first dollar of a claim.

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14 **NEW SECTION. Section 4. Insurance limitations.** (1) Nothing in this section may be construed to  
15 require a private passenger automobile insurance policy to provide primary or excess coverage when a  
16 participating driver logs on to the transportation network company's online-enabled application or platform until  
17 the driver logs off the online-enabled application or platform or the passenger exits the vehicle, whichever is later.

18 (2) When a participating driver logs on to the transportation network company's online-enabled application  
19 or platform until the driver logs off the online-enabled application or platform or until the ride is complete,  
20 whichever is later, all of the following apply:

21 (a) The participating driver's or the vehicle owner's personal automobile insurance policy may not provide  
22 any coverage to the participating driver, vehicle owner, or any third party, unless the policy expressly provides  
23 for that coverage during the period of time to which this subsection (2) is applicable, with or without a separate  
24 charge, or the policy contains an amendment or endorsement to provide that coverage, for which a separately  
25 stated premium is charged.

26 (b) The participating driver's or the vehicle owner's personal automobile insurance policy insurer does  
27 not have the duty to defend or indemnify for the driver's activities in connection with the transportation network  
28 company, unless the policy expressly provides otherwise for the period of time to which this subsection (2)  
29 applies, with or without a separate charge, or the policy contains an amendment or endorsement to provide that  
30 coverage, for which a separately stated premium is charged.

1 (c) A personal automobile insurer may offer an automobile liability insurance policy or an amendment or  
2 endorsement to an existing policy that covers a private passenger vehicle with a passenger capacity of eight  
3 persons or less, including the driver, while used in connection with a transportation network company's  
4 online-enabled application or platform only if the policy expressly provides for the coverage during the time period  
5 specified in subsection (2), with or without a separate charge, or the policy contains an amendment or an  
6 endorsement to provide that coverage, for which a separately stated premium may be charged.

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8 **NEW SECTION. Section 5. Insurer cooperation.** In a claims coverage investigation, a transportation  
9 network company or its insurer shall cooperate with insurers that are involved in the claims coverage investigation  
10 to facilitate the exchange of information, including the provision of dates and times at which an accident occurred  
11 that involved a participating driver and the times that the participating driver logged on and off the transportation  
12 network company's online-enabled application or platform.

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14 **NEW SECTION. Section 6. Proof of insurance.** A participating driver shall carry proof of transportation  
15 network company insurance coverage during the driver's use of a vehicle in connection with a transportation  
16 network company's online-enabled application or platform. In the event of an accident, a participating driver shall  
17 provide this insurance coverage information to any other party involved in the accident, and to a peace officer,  
18 upon request.

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20 **NEW SECTION. Section 7. Application to insurance policies.** This part determines the obligations  
21 under insurance policies issued to transportation network companies and participating drivers using a vehicle in  
22 connection with a transportation network company's online-enabled application or platform.

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24 **NEW SECTION. Section 8. Codification instruction.** [Sections 1 through 7] are intended to be codified  
25 as an integral part of Title 61, chapter 6, and the provisions of Title 61, chapter 6, apply to [sections 1 through 7].

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