

1 STATE OF OKLAHOMA

2 1st Session of the 55th Legislature (2015)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL 436

By: Quinn of the Senate

and

Mulready of the House

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9 COMMITTEE SUBSTITUTE

10 An Act relating to motor vehicles; creating the
11 Transportation Network Act of 2015; providing short
12 title; defining terms; requiring certain companies to
13 disclose certain limits of liability; requiring
14 certain companies and drivers to maintain insurance;
15 providing procedures upon executing ride requests;
16 providing method to satisfy coverage requirements;
17 allowing certain companies to obtain certain policy;
18 specifying certain duties; providing insurance
19 requirements; clarifying insurance coverage in
20 relation to personal coverage; stating remedy for
21 lapse of coverage; prohibiting act from being
22 construed in certain manner; prohibiting the use of
23 personal automobile coverage under certain
24 circumstances; authorizing insurers to modify certain
policies for certain motor vehicles; providing method
for claims coverage investigation; requiring proof of
insurance; requiring disclosure of proof of insurance
in an accident; providing for noncodification;
providing for codification; and providing an
effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

1 SECTION 1. NEW LAW A new section of law not to be
2 codified in the Oklahoma Statutes reads as follows:

3 This act shall be known and may be cited as the "Transportation
4 Network Act of 2015".

5 SECTION 2. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 1007 of Title 47, unless there
7 is created a duplication in numbering, reads as follows:

8 A. For the purposes of this section:

9 1. "Transportation network company" means an organization,
10 including, but not limited to, a corporation, limited liability
11 company, partnership, sole proprietor or any other entity, operating
12 in this state that provides prearranged transportation services for
13 compensation using an online-enabled application or platform to
14 connect passengers with drivers using a personal vehicle;

15 2. "Participating driver" or "driver" is any person who uses a
16 vehicle in connection with a transportation network company's
17 online-enabled application or platform to connect with passengers;
18 and

19 3. "Transportation network company insurance" is an insurance
20 policy that specifically covers a driver's use of a vehicle in
21 connection with a transportation network company's online-enabled
22 application or platform.

23 B. A transportation network company shall disclose in writing
24 to participating drivers, as part of its agreement with those

1 drivers, the insurance coverage, limits of liability, and
2 deductibles that the driver might be responsible for, that the
3 transportation network company provides while the driver uses a
4 vehicle in connection with a transportation network company's
5 online-enabled application or platform, and shall advise a
6 participating driver in writing that the driver's automobile
7 insurance policy may not provide any required or optional coverage
8 because the driver uses a vehicle in connection with a
9 transportation network company's online-enabled application or
10 platform.

11 C. A transportation network company and any participating
12 driver shall maintain transportation network company insurance as
13 provided in this section.

14 D. The following requirements shall apply to transportation
15 network company's insurance from the moment a participating driver
16 accepts a ride request on the transportation network company's
17 online-enabled application or platform until the driver completes
18 the transaction on the online-enabled application or platform or
19 until the ride is complete, whichever is later. Transportation
20 network company insurance shall provide:

21 1. Primary liability coverage in the amount of not less than
22 Twenty-five Thousand Dollars (\$25,000.00) per person and Fifty
23 Thousand Dollars (\$50,000.00) per incident for death, bodily injury,
24 and property damage; and

1 2. Uninsured motorist, collision physical damage coverage, and
2 comprehensive physical damage coverage if the participating driver
3 carries those coverages on their auto policy, unless that insurer is
4 providing transportation network company insurance to the driver.

5 E. The requirements for the coverage required by this section
6 may be satisfied by any of the following:

7 1. Transportation network company insurance maintained by a
8 participating driver;

9 2. Transportation network company insurance maintained by a
10 transportation network company; or

11 3. Any combination of paragraphs 1 and 2 of this subsection.

12 F. A transportation network company may meet its obligations
13 under this section through a policy obtained by a participating
14 driver pursuant to paragraph 1 or 2 of subsection E of this section
15 only if the transportation network company verifies that the policy
16 is maintained by the driver and is specifically written to cover the
17 driver's use of a vehicle in connection with a transportation
18 network company's online-enabled application or platform. The
19 insurer providing transportation network company insurance under
20 this section shall have the duty to defend and indemnify the
21 insured.

22 G. From the moment a participating driver logs on to the
23 transportation network company's online-enabled application or
24 platform until the driver accepts a request to transport a

1 passenger, and from the moment the driver completes the transaction
2 on the online-enabled application or platform or the ride is
3 complete, whichever is later, until the driver either accepts
4 another ride request on the online-enabled application or platform
5 or logs off the online-enabled application or platform,
6 transportation network company insurance shall provide primary
7 liability coverage in the amount of not less than Twenty-five
8 Thousand Dollars (\$25,000.00) for death and bodily injury per
9 person, Fifty Thousand Dollars (\$50,000.00) for death and bodily
10 injury per incident, and Twenty-five Thousand Dollars (\$25,000.00)
11 for property damage.

12 1. Transportation network company insurance coverage provided
13 under this section shall also provide uninsured motorist, collision
14 physical damage coverage, and comprehensive physical damage coverage
15 if the participating driver carries those coverages on his or her
16 auto policy unless that insurer is providing transportation network
17 company insurance to the driver.

18 2. The requirements for the coverage required by this
19 subsection may be satisfied by any of the following:

- 20 a. transportation network company insurance maintained by
21 a participating driver,
22 b. transportation network company insurance maintained by
23 a transportation network company that provides
24 coverage in the event a participating driver's

1 insurance policy under subparagraph a of this
2 paragraph has ceased to exist or has been canceled, or
3 the participating driver does not otherwise maintain
4 transportation network company insurance pursuant to
5 this subsection, or

6 c. any combination of subparagraphs a and b of this
7 paragraph.

8 3. The insurer providing transportation network company
9 insurance under this subsection shall have the duty to defend and
10 indemnify the insured.

11 H. Coverage under a transportation network company insurance
12 policy shall not be dependent on an automobile insurance policy
13 first denying a claim nor shall an automobile insurance policy be
14 required to first deny a claim. In every instance where
15 transportation network company insurance maintained by a
16 participating driver to fulfill the insurance obligations of this
17 section has lapsed or ceased to exist, the transportation network
18 company shall provide the coverage required by this section
19 beginning with the first dollar of a claim.

20 I. Nothing in this section shall be construed to require an
21 automobile insurance policy to provide primary or excess coverage
22 during the period of time from the moment a participating driver in
23 a transportation network company logs on to the transportation
24 network company's online-enabled application or platform until the

1 driver logs off the online-enabled application or platform or the
2 passenger exits the vehicle, whichever is later.

3 J. During the period of time from the moment a participating
4 driver in a transportation network company logs on to the
5 transportation network company's online-enabled application or
6 platform until the driver logs off the online-enabled application or
7 platform or until the ride is complete, whichever is later, all of
8 the following shall apply:

9 1. The participating driver's or the vehicle owner's automobile
10 insurance policy shall not provide any coverage to the participating
11 driver, vehicle owner or any third party, unless the policy
12 expressly provides for that coverage during the period of time to
13 which this paragraph is applicable, with or without a separate
14 charge, or the policy contains an amendment or endorsement to
15 provide that coverage, for which a separately stated premium is
16 charged; and

17 2. The participating driver's or the vehicle owner's automobile
18 insurance policy shall not have the duty to defend or indemnify for
19 the driver's activities in connection with the transportation
20 network company, unless the policy expressly provides otherwise for
21 the period of time to which this paragraph is applicable, with or
22 without a separate charge, or the policy contains an amendment or
23 endorsement to provide that coverage, for which a separately stated
24 premium is charged.

1 K. Notwithstanding any other law, an automobile insurer may, at
2 its discretion, offer an automobile liability insurance policy, or
3 an amendment or endorsement to an existing policy that covers a
4 private passenger vehicle, station wagon type vehicle, sport utility
5 vehicle or similar type of vehicle with a passenger capacity of
6 eight persons or less, including the driver, while used in
7 connection with a transportation network company's online-enabled
8 application or platform only if the policy expressly provides for
9 the coverage during the time period specified in subsection J of
10 this section, with or without a separate charge, or the policy
11 contains an amendment or an endorsement to provide that coverage,
12 for which a separately stated premium may be charged.

13 L. In a claims coverage investigation, a transportation network
14 company or its insurer shall cooperate with insurers that are
15 involved in the claims coverage investigation to facilitate the
16 exchange of information, including the provision of dates and times
17 at which an accident occurred that involved a participating driver
18 and the precise times that the participating driver logged on and
19 off the transportation network company's online-enabled application
20 or platform.

21 M. A participating driver of a transportation network company
22 shall carry proof of transportation network company insurance
23 coverage with him or her at all times during his or her use of a
24 vehicle in connection with a transportation network company's

1 online-enabled application or platform. In the event of an
2 accident, a participating driver shall provide this insurance
3 coverage information to any other party involved in the accident,
4 and to a police officer, upon request.

5 SECTION 3. This act shall become effective November 1, 2015.

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