

# MAINE STATE LEGISLATURE

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# 127th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2015

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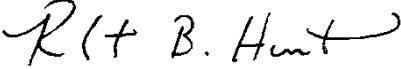
H.P. 934

House of Representatives, April 29, 2015

### An Act To Establish Transportation Network Company Insurance

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Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

  
ROBERT B. HUNT  
Clerk

Presented by Representative BECK of Waterville.  
Cosponsored by Representative: McLEAN of Gorham.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 24-A MRSA c. 93** is enacted to read:

3 **CHAPTER 93**

4 **TRANSPORTATION NETWORK COMPANY INSURANCE**

5 **§7301. Short title**

6 This chapter may be known and cited as "the Transportation Network Company  
7 Insurance Act."

8 **§7302. Definitions**

9 As used in this chapter, unless the context otherwise indicates, the following terms  
10 have the following meanings.

11 **1. Digital network.** "Digital network" means any online-enabled application,  
12 software, website or system offered or used by a transportation network company that  
13 enables the provision of prearranged rides by transportation network company drivers.

14 **2. Personal vehicle.** "Personal vehicle" means a vehicle that:

15 A. Is used by a transportation network company driver;

16 B. Is owned, leased or otherwise authorized for use by the transportation network  
17 company driver; and

18 C. Is not a taxicab, as defined in Title 29-A, section 101, subsection 79, a limousine,  
19 as defined in Title 29-A, section 101, subsection 32 or for-hire transportation as  
20 defined in Title 29-A, section 101, subsection 25.

21 **3. Prearranged ride.** "Prearranged ride" means transportation provided by a  
22 transportation network company driver to a transportation network company rider,  
23 beginning when the driver accepts a transportation request through a digital network and  
24 ending when the rider departs from the driver's personal vehicle. "Prearranged ride" does  
25 not include transportation provided using a taxi, limousine or other for-hire vehicle.

26 **4. Transportation network company.** "Transportation network company" means a  
27 corporation, partnership, sole proprietorship or other entity that is licensed pursuant to  
28 this chapter and is operating in the State and that uses a digital network to connect  
29 transportation network company riders to transportation network company drivers who  
30 provide prearranged rides.

31 **5. Transportation network company driver; driver.** "Transportation network  
32 company driver" or "driver" means an individual who:

33 A. Receives information regarding potential passengers and related services from a  
34 transportation network company in exchange for payment of a fee to the  
35 transportation network company; and

1           B. Uses a personal vehicle to offer or provide prearranged rides to a transportation  
2           network company rider in return for compensation or payment of a fee.

3           **6. Transportation network company rider; rider.** "Transportation network  
4           company rider" or "rider" means an individual or person who uses a transportation  
5           network company's digital network to connect with a transportation network company  
6           driver for a ride between locations chosen by the rider.

7           **§7303. Control by transportation network company**

8           A transportation network company is not deemed to control, direct or manage the  
9           transportation network company drivers that connect to the transportation network  
10           company's digital network, or the drivers' personal vehicles, except as expressly provided  
11           in a written contract between the driver and the transportation network company.

12           **§7304. Financial responsibility**

13           **1. Insurance coverage required.** Beginning October 1, 2015, a transportation  
14           network company driver or a transportation network company on the driver's behalf shall  
15           maintain primary automobile liability insurance that recognizes that the driver is a  
16           transportation network company driver or otherwise uses a vehicle to transport  
17           passengers for compensation and that covers the driver in accordance with this section.

18           **2. Minimum insurance requirements for driver while on digital network.** A  
19           transportation network company driver must have primary automobile liability insurance  
20           that provides coverage while the driver is logged on to the transportation network  
21           company digital network but is not engaged in a prearranged ride in amounts that are no  
22           less than set forth in paragraph A or paragraph B, whichever is higher:

23           A. For death and bodily injury, \$50,000 per person; for death and bodily injury per  
24           incident, \$100,000; and for property damage, \$25,000; or

25           B. The minimum amounts of insurance coverage required under Title 29-A, section  
26           1605, and uninsured vehicle and underinsured motor vehicle coverage required  
27           pursuant to section 2902.

28           The coverage requirements of this subsection may be satisfied by automobile insurance  
29           maintained by the transportation network company driver, automobile insurance  
30           maintained by the transportation network company or a combination of automobile  
31           insurance maintained by the transportation network company driver and the  
32           transportation network company.

33           **3. Minimum insurance requirements while engaged in prearranged ride.** A  
34           transportation network company driver must have primary automobile liability insurance  
35           that provides coverage while the driver is engaged in a prearranged ride in amounts that  
36           are no less than set forth in paragraph A or paragraph B, whichever is higher:

37           A. For death, bodily injury and property damage, \$1,000,000; or

38           B. The minimum amounts of insurance coverage required under Title 29-A, section  
39           1605, and uninsured vehicle and underinsured motor vehicle coverage required  
40           pursuant to section 2902.

1 The coverage requirements of this subsection may be satisfied by automobile insurance  
2 maintained by the transportation network company driver, automobile insurance  
3 maintained by the transportation network company or a combination of automobile  
4 insurance maintained by the transportation network company driver and the  
5 transportation network company.

6 **4. Lapse of coverage; duty to defend.** When automobile insurance maintained by a  
7 transportation network company driver to fulfill the insurance obligations of this section  
8 has lapsed or ceased to exist, the transportation network company shall provide the  
9 coverage required by this section beginning with the 1st dollar of a claim, and the  
10 transportation network company has a duty to defend the claim.

11 **5. Coverage not dependent on denial of claim.** Coverage under an automobile  
12 insurance policy maintained by a transportation network company may not be dependent  
13 on the denial of the claim under a personal automobile insurance policy.

14 **6. Insurer.** Insurance required by this section may be placed with an insurer that is  
15 licensed under the provisions of this Title or is authorized as a surplus lines insurer  
16 pursuant to chapter 19.

17 **7. Satisfaction of financial responsibility requirements.** Insurance satisfying the  
18 requirements of this section is deemed to satisfy the financial responsibility requirement  
19 for a motor vehicle set forth in section 2902 and Title 29-A, section 1605.

20 **8. Evidence of coverage for transportation network company insurance.** A  
21 transportation network company driver shall carry at all times evidence of coverage  
22 satisfying subsections 1 and 2 during the driver's use of a vehicle in connection with a  
23 transportation network company's digital network. A transportation network company  
24 driver shall provide evidence of insurance coverage to a law enforcement officer upon  
25 request and, in the event of an accident, a transportation network company driver shall  
26 provide insurance coverage information to the directly interested parties, automobile  
27 insurers and investigating police officers, upon request pursuant to Title 29-A, section  
28 1601. Upon request, a transportation network company driver shall also disclose to  
29 directly interested parties, automobile insurers and investigating police officers whether  
30 the driver was logged on to the transportation network company's digital network or  
31 engaged in a prearranged ride at the time of an accident.

32 **§7305. Disclosure**

33 Before a transportation network company driver may accept a request for a  
34 prearranged ride through the transportation network company's digital network, the  
35 transportation network company shall disclose in writing to the driver:

36 **1. Coverage provided.** The insurance coverage, including the types of coverage and  
37 the limits for each coverage, that the transportation network company provides while the  
38 transportation network company driver uses a personal vehicle in connection with a  
39 transportation network company's digital network; and

40 **2. Personal policy may not cover.** That the transportation network company  
41 driver's own automobile insurance policy, depending on the policy's terms, might not

1 provide any coverage while the driver is logged on to the transportation network  
2 company's digital network and is available to receive transportation requests, or while the  
3 driver is engaged in a prearranged ride.

4 **§7306. Automobile insurance provisions**

5 **1. Exclude coverage.** Notwithstanding section 2902 or Title 29-A, section 1605, an  
6 insurer that writes automobile insurance in this State may exclude coverage afforded  
7 under the policy issued to an owner or operator of a personal vehicle for any loss or  
8 injury that occurs while a driver is logged on to a transportation network company's  
9 digital network or while a driver is engaged in a prearranged ride. The authority to  
10 exclude coverage applies to any coverage included in an automobile insurance policy  
11 including, but not limited to:

- 12 A. Liability coverage for bodily injury and property damage;
- 13 B. Uninsured vehicle and underinsured motor vehicle coverage;
- 14 C. Medical payments coverage;
- 15 D. Comprehensive physical damage coverage; and
- 16 E. Collision physical damage coverage.

17 Nothing in this section requires that a personal automobile insurance policy provide  
18 coverage while the driver is logged on to the transportation network company's digital  
19 network, the driver is engaged in a prearranged ride or the driver otherwise uses a vehicle  
20 to transport passengers for compensation.

21 Nothing in this section may be construed to preclude an insurer from entering into a  
22 contract to provide coverage for a transportation network company driver's personal  
23 vehicle.

24 **2. No duty to indemnify.** If an insurer has excluded coverage described in section  
25 7304, the insurer has no duty to defend or indemnify any claim expressly excluded.  
26 Nothing in this chapter may be construed to invalidate or limit an exclusion contained in  
27 a policy, including any policy in use or approved for use in this State prior to the  
28 enactment of this chapter, that excludes coverage for vehicles used to carry persons or  
29 property for a charge or available for hire by the public.

30 **3. Right of contribution.** An automobile insurer that defends or indemnifies a claim  
31 against a driver that is excluded under the terms of its policy has a right of contribution  
32 against other insurers that provide automobile insurance to the same driver in satisfaction  
33 of the coverage requirements of section 7304 at the time of loss.

34 **4. Cooperation.** In a claims coverage investigation, a transportation network  
35 company and any insurer potentially providing coverage under section 7304 shall  
36 cooperate to facilitate the exchange of relevant information with directly involved parties  
37 and any insurer of the transportation network company driver if applicable, including but  
38 not limited to:

- 39 A. The precise times that a transportation network company driver logged on to and  
40 off of the transportation network company's digital network in the 12-hour period

1 immediately preceding and in the 12-hour period immediately following the accident;  
2 and  
3 B. A clear description of the coverage, exclusions and limits provided under any  
4 automobile insurance maintained under this chapter.

5 **SUMMARY**

6 This bill establishes requirements for insurance coverage relating to the operation of  
7 transportation network companies in the State, which are companies that provide  
8 prearranged transportation services for compensation using a digital network to connect a  
9 passenger with a driver using a personal vehicle.