

SECOND REGULAR SESSION

# HOUSE BILL NO. 1563

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE GOSEN.

4449H.011

D. ADAM CRUMBLISS, Chief Clerk

## AN ACT

To amend chapter 379, RSMo, by adding thereto five new sections relating to transportation network company insurance.

*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 379, RSMo, is amended by adding thereto five new sections, to be known as sections 379.1700, 379.1702, 379.1704, 379.1706, and 379.1708, to read as follows:

**379.1700. As used in sections 379.1700 to 379.1708, the following terms shall mean:**

(1) "Digital network", any online-enabled application, software, website, or system offered or utilized by a transportation network company that enables the prearrangement of rides with transportation network company drivers;

(2) "Personal vehicle", a vehicle that is used by a transportation network company driver and is:

(a) Owned, leased, or otherwise authorized for use by the transportation network company driver; and

(b) Not a taxicab, limousine, or for-hire vehicle under chapter 390;

(3) "Prearranged ride", the provision of transportation by a driver to a rider, beginning when a driver accepts a ride requested by a rider through a digital network controlled by a transportation network company, continuing while the driver transports a requesting rider, and ending when the last requesting rider departs from the personal vehicle. A prearranged ride shall not include shared expense carpool or vanpool arrangements or transportation provided using a taxi, limousine, or other for-hire vehicle under chapter 390;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in bold-face type in the above bill is proposed language.

17 (4) "Transportation network company", a corporation, partnership, sole  
18 proprietorship, or other entity that is licensed and operating in Missouri that uses a digital  
19 network to connect transportation network company riders to transportation network  
20 company drivers who provide prearranged rides. A transportation network company shall  
21 not be deemed to control, direct, or manage the personal vehicles or transportation  
22 network company drivers that connect to its digital network, except if agreed to by written  
23 contract;

24 (5) "Transportation network company driver" or "driver", an individual who:

25 (a) Receives connections to potential riders and related services from a  
26 transportation network company in exchange for payment of a fee to the transportation  
27 network company; and

28 (b) Uses a personal vehicle to offer or provide a prearranged ride to riders upon  
29 connection through a digital network controlled by a transportation network company in  
30 return for compensation or payment of a fee;

31 (6) "Transportation network company rider" or "rider", an individual or persons  
32 who use a transportation network company's digital network to connect with a  
33 transportation network driver who provides prearranged rides to the rider in the driver's  
34 personal vehicle between points chosen by the rider.

379.1702. 1. Beginning April 1, 2017, a transportation network company driver or  
2 transportation network company on the driver's behalf shall maintain primary automobile  
3 insurance that:

4 (1) Recognizes that the driver is a transportation network company driver or  
5 otherwise uses a vehicle to transport riders for compensation; and

6 (2) Covers the driver while the driver is logged on to the transportation network  
7 company's digital network or while the driver is engaged in a prearranged ride.

8 2. The following automobile insurance requirements shall apply while a  
9 participating transportation network company driver is logged on to the transportation  
10 network company's digital network and is available to receive transportation requests but  
11 is not engaged in a prearranged ride:

12 (1) Primary automobile liability insurance in the amount of at least fifty thousand  
13 dollars for death and bodily injury per person, one hundred thousand dollars for death  
14 and bodily injury per incident, and twenty-five thousand dollars for property damage;

15 (2) Uninsured motorist coverage in an amount not less than the limits set forth in  
16 section 379.203;

17 (3) The coverage requirements of this subsection may be satisfied by any of the  
18 following:

19 (a) Automobile insurance maintained by the transportation network company  
20 driver;

21 (b) Automobile insurance maintained by the transportation network company; or

22 (c) Any combination of paragraphs (a) and (b) of this subdivision.

23 3. The following automobile insurance requirements shall apply while a  
24 transportation network company driver is engaged in a prearranged ride:

25 (1) Primary automobile liability insurance in the amount of at least one million  
26 dollars for death, bodily injury, and property damage;

27 (2) Uninsured motorist coverage in an amount not less than the limits set forth in  
28 section 379.203;

29 (3) The coverage requirements of this subsection may be satisfied by any of the  
30 following:

31 (a) Automobile insurance maintained by the transportation network company  
32 driver;

33 (b) Automobile insurance maintained by the transportation network company; or

34 (c) Any combination of paragraphs (a) and (b) of this subdivision.

35 4. If insurance maintained by a driver in subsection 2 or 3 of this section has lapsed  
36 or does not provide the required coverage, insurance maintained by a transportation  
37 network company shall provide the coverage required by this section beginning with the  
38 first dollar of a claim and shall have the duty to defend such claim. If the insurance  
39 maintained by the driver does not otherwise exclude coverage for loss or injury while the  
40 driver is logged on to a transportation network's digital network or while the driver  
41 provides a prearranged ride, but does not provide insurance coverage at the minimum  
42 limits required by subsection 2 or 3 of this section, the transportation network company  
43 shall maintain insurance coverage that provides excess coverage beyond the driver's policy  
44 limits up to the limits required by subsection 2 or 3 of this section, as applicable.

45 5. Coverage under an automobile insurance policy maintained by the  
46 transportation network company shall not be dependent on a personal automobile insurer  
47 first denying a claim nor shall a personal automobile insurance policy be required to first  
48 deny a claim.

49 6. Insurance required by this section may be placed with an insurer authorized to  
50 issue policies of automobile insurance in the state of Missouri or with an eligible surplus  
51 lines insurer under chapter 384.

52 7. Insurance satisfying the requirements of this section shall be deemed to satisfy  
53 the motor vehicle financial responsibility requirements for a motor vehicle under chapter  
54 303.

55           **8. A transportation network company driver shall carry proof of coverage**  
56 **satisfying subsections 2 and 3 of this section with him or her at all times during his or her**  
57 **use of a vehicle in connection with a transportation network company's digital network.**  
58 **In the event of an accident, a transportation network company driver shall provide this**  
59 **insurance coverage information to the directly interested parties, automobile insurers, and**  
60 **investigating police officers, upon request under section 303.024. Upon such request, a**  
61 **transportation network company driver shall also disclose to directly interested parties,**  
62 **automobile insurers, and investigating police officers whether the driver was logged on to**  
63 **the transportation network company's digital network or on a prearranged ride at the time**  
64 **of an accident.**

**379.1704. The transportation network company shall disclose in writing to**  
2 **transportation network company drivers the following before they are allowed to accept**  
3 **a request for a prearranged ride on the transportation network company's digital network:**

4           **(1) The insurance coverage, including the types of coverage and the limits for each**  
5 **coverage, that the transportation network company provides while the transportation**  
6 **network company driver uses a personal vehicle in connection with a transportation**  
7 **network company's digital network; and**

8           **(2) That the transportation network company driver's own automobile insurance**  
9 **policy might not provide any coverage while the driver is logged on to the transportation**  
10 **network company's digital network and is available to receive transportation requests or**  
11 **is engaged in a prearranged ride depending on the policy's terms.**

**379.1706. A transportation network company shall make the following disclosure**  
2 **to a prospective driver in the prospective driver's terms of service:**

3  
4 **IF THE VEHICLE THAT YOU PLAN TO USE TO PROVIDE TRANSPORTATION**  
5 **NETWORK COMPANY SERVICES HAS A LIEN AGAINST IT, USING THE**  
6 **VEHICLE FOR TRANSPORTATION NETWORK COMPANY SERVICES MAY**  
7 **VIOLATE THE TERMS OF YOUR CONTRACT WITH THE LIENHOLDER.**

8  
9 **IF A TRANSPORTATION NETWORK COMPANY'S INSURER MAKES A PAYMENT**  
10 **FOR A CLAIM COVERED UNDER COMPREHENSIVE COVERAGE OR COLLISION**  
11 **COVERAGE, THE TRANSPORTATION NETWORK COMPANY SHALL CAUSE ITS**  
12 **INSURER TO ISSUE THE PAYMENT DIRECTLY TO THE BUSINESS REPAIRING**  
13 **THE VEHICLE OR JOINTLY TO THE OWNER OF THE VEHICLE AND THE**  
14 **PRIMARY LIENHOLDER ON THE COVERED VEHICLE.**

15

16 The disclosure set forth in this subsection shall be placed prominently in the prospective  
17 driver's written terms of service, and the prospective driver shall acknowledge the terms  
18 of service electronically or by signature.

379.1708. 1. Insurers that write automobile insurance in Missouri may exclude or  
2 limit any and all coverage afforded under an automobile insurance policy, including a  
3 motor vehicle liability policy, issued to an owner or operator of a personal vehicle for any  
4 loss or injury that occurs while:

5 (1) A driver is logged on to a transportation network company's digital network;

6 (2) A driver provides a prearranged ride; or

7 (3) A motor vehicle is being used to transport or carry persons or property for any  
8 compensation or suggested donation;

9 2. The right to exclude all coverage under subsection 1 of this section may apply to  
10 any coverage included in an automobile insurance policy including, but not limited to:

11 (1) Liability coverage for bodily injury and property damage;

12 (2) Uninsured and underinsured motorist coverage;

13 (3) Medical payments coverage;

14 (4) Comprehensive physical damage coverage; and

15 (5) Collision physical damage coverage.

16

17 Such exclusions shall apply notwithstanding any financial responsibility requirement or  
18 uninsured motorist coverage requirement under the motor vehicle financial responsibility  
19 law, chapter 303 or section 379.203, respectively. Nothing in this section implies or  
20 requires that a personal automobile insurance policy provide coverage while the driver is  
21 logged on to the transportation network company's digital network, while the driver is  
22 engaged in a prearranged ride, or while the driver otherwise uses a vehicle to transport  
23 passengers or property for compensation.

24 3. Nothing shall be deemed to preclude an insurer from providing coverage for the  
25 transportation network company driver's vehicle, if it chooses to do so by contract or  
26 endorsement.

27 4. Automobile insurers that exclude the coverage described in section 379.1702 shall  
28 have no duty to defend or indemnify any claim expressly excluded thereunder. Nothing in  
29 this section shall be deemed to invalidate or limit an exclusion contained in a policy,  
30 including any policy in use or approved for use in Missouri prior to the enactment of this  
31 section that excludes coverage for vehicles used to carry persons or property for a charge  
32 or available for hire by the public.

33           **5. An automobile insurer that defends or indemnifies a claim against a driver that**  
34 **is excluded under the terms of its policy shall have a right of contribution against other**  
35 **insurers that provide automobile insurance to the same driver in satisfaction of the**  
36 **coverage requirements of section 379.1702 at the time of loss.**

37           **6. In a claims coverage investigation, transportation network companies and any**  
38 **insurer potentially providing coverage under section 379.1702 shall cooperate to facilitate**  
39 **the exchange of relevant information with each other and any insurer of the transportation**  
40 **network company driver if applicable, including the precise times that a transportation**  
41 **network company driver logged on and off of the transportation network company's**  
42 **digital network in the twelve-hour period immediately preceding and in the twelve-hour**  
43 **period immediately following the accident and disclose to one another a clear description**  
44 **of the coverage, exclusions, and limits provided under any automobile insurance**  
45 **maintained under section 379.1702.**

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