

HB 1563 -- TRANSPORTATION NETWORK INSURANCE

SPONSOR: Gosen

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Property, Casualty, and Life Insurance by a vote of 10 to 0. Voted "Do Pass" by the Select Committee on Insurance by a vote of 9 to 0.

Beginning April 1, 2017, this bill outlines the insurance coverage requirements between a transportation network company (TNC) and a TNC driver who uses a personal vehicle to transport passengers for the TNC.

REQUIRED AUTOMOBILE INSURANCE COVERAGE (Section 379.1702, RSMo)

A TNC driver or the TNC company, on the driver's behalf, is required to maintain primary automobile insurance coverage as specified in the bill. The policy of insurance must recognize that the driver uses the vehicle to transport riders for compensation while logged onto the TNC's digital network.

NOTIFICATION (Sections 379.1704 and 379.1706)

The company is required to notify a TNC driver of the insurance coverage provided by the TNC and to also notify a driver that his or her own personal automobile insurance policy may not provide coverage because the driver uses a vehicle in connection with the service and that it may also violate the terms of his or her contract with a lienholder.

MISSOURI AUTOMOBILE INSURERS (Section 379.1708)

Automobile insurers in Missouri may exclude or limit any and all insurance coverage provided to owners or operators of personal vehicles while logged into a TNC's digital network for the purpose of transporting persons or property for compensation.

This bill is similar to HB 781 (2015).

PROPOSERS: Supporters say that this bill will help provide regulation to these types of transportation companies and that it will help clarify when the personal auto insurance covers the vehicle and when the transportation network company insurance covers the vehicle.

Testifying for the bill were Representative Gosen; State Farm Insurance; Heartland Credit Union Association; Missouri Bankers Association; Uber/Catalyst; City Of Kansas City; and the Missouri Insurance Coalition.

OPPONENTS: There was no opposition voiced to the committee.