
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Cheryl Horne.

DIGEST

SB 172 Original

2015 Regular Session

Morrish

Proposed law enacts The Transportation Network Company Motor Vehicle Responsibility Law and provides for legislative findings and policy related to transportation network companies.

Proposed law does not exempt any transportation network company or participating driver from complying with all applicable laws and municipal and parochial ordinances relating to the ownership, registration, and operation of automobiles in this state.

Proposed law defines "transportation network company" as a person, whether natural or juridical, who provides prearranged transportation services for compensation using a connection method to connect customers with drivers using their personal vehicles.

Proposed law defines "participating driver" or "driver" as any person who uses a personal vehicle in connection with a transportation network company's connection method to connect with customers.

Proposed law defines "personal vehicle" as a motor vehicle used by a participating driver in connection with providing transportation network company services. A personal vehicle may be owned, leased, or borrowed.

Proposed law defines "connection method" means an online application or platform, a digital network, or another electronic means used to connect customers with participating drivers.

Proposed law defines "pre-trip acceptance period" as any period of time during which a participating driver is logged into a transportation network company's connection method and available to receive requests for transportation network company services and is not otherwise engaged in the activities of the trip acceptance period.

Proposed law defines "trip acceptance period" as any period of time from the moment a participating driver accepts a ride request on the transportation network company's connection method until the driver completes the transaction on the connection method or until the ride is complete, whichever is later.

Proposed law defines "transportation network company insurance" as a liability insurance policy that specifically covers liabilities arising from a driver's use of a vehicle in connection with a transportation network company's connection method.

Proposed law defines "transportation network company services" as the conduct of the business of a transportation network company or of a participating driver.

Proposed law provides for the disclosure by the transportation network company to its drivers of the transportation network company insurance that it maintains and that the participating drivers' personal automobile insurance may not provide coverage while logged onto the transportation network company's network.

Proposed law prohibits a transportation network company from either requiring or including a hold harmless or indemnification clause in the terms of any agreement with a participating driver. Any such clause shall be an absolute nullity.

Proposed law provides for transportation network company insurance to be maintained by transportation network companies and their participating drivers as follows:

Transportation network company insurance during the pre-trip acceptance period shall be primary and in the amount of at least \$25,000 for death and personal injury per person, \$50,000 for death and personal injury per occurrence, and \$25,000 for property damage. The insurer providing insurance coverage under this Subsection shall be the only insurer having the duty to defend and indemnify the insured for any liability claim arising from an accident occurring during the pre-trip acceptance period.

Transportation network company insurance during the trip acceptance period shall be primary and in the amount of \$1,000,000 for death, personal injury, and property damage and shall also provide for uninsured motorist coverage and underinsured motorist coverage in the amount of \$1,000,000. The insurer providing insurance coverage under this Subsection shall be the only insurer having the duty to defend and indemnify the insured for any liability claim arising from an accident occurring during the trip acceptance period.

The obligation to maintain insurance coverage may be satisfied by transportation network company insurance procured by a participating driver, a transportation network company or a combination of the two.

A transportation network company may satisfy its obligations through a policy obtained in whole or in part by a participating driver only if the transportation network company verifies that the policy is maintained by the driver and is specifically written to cover the driver's use of a vehicle in connection with a transportation network company's connection method.

In the event that a transportation network company's connection method becomes inaccessible due to failure or malfunction while a participating driver is in the trip acceptance period, transportation network company insurance coverage shall be presumed to be that required for the trip acceptance period until the passenger exits the vehicle.

Proposed law provides that coverage under a transportation network company insurance policy shall not depend upon denial of a claim on a personal automobile insurance policy.

Proposed law provides that in every instance where transportation network company insurance maintained by a participating driver has lapsed or ceased to exist, the transportation network

company shall provide the coverage required beginning with the first dollar of a claim.

Proposed law provides a private passenger automobile insurance policy shall not be construed to provide primary or excess coverage during either the pre-trip acceptance period or the trip acceptance period.

Proposed law provides that the transportation network company shall file proof of its compliance with insurance requirements with the Public Service Commission.

Proposed law provides that during either the pre-trip acceptance period or the trip acceptance period, all of the following shall apply:

The participating driver's or the vehicle owner's personal automobile insurance policy shall not provide any coverage to the participating driver, vehicle owner, or any third party, unless the policy expressly provides for that coverage during the pre-trip acceptance period, the trip acceptance period, or both, with or without a separate charge, or the policy contains an amendment or endorsement to provide that coverage, for which a separately stated premium is charged.

The participating driver's or the vehicle owner's personal automobile insurance policy shall not have the duty to defend or indemnify for the driver's activities in connection with the transportation network company, unless the policy expressly provides otherwise for that coverage during the pre-trip acceptance period, the trip acceptance period, or both, with or without a separate charge, or the policy contains an amendment or endorsement to provide that coverage, for which a separately stated premium is charged.

Proposed law provides that notwithstanding any other law, a personal automobile insurer may, at its discretion, offer an automobile liability insurance policy, or an amendment or endorsement to an existing policy, that covers a private passenger vehicle used to provide transportation network company services only if the policy expressly provides for the coverage during either the pre-trip acceptance period, the trip acceptance period, or both, with or without a separate charge, or the policy contains an amendment or an endorsement to provide that coverage, for which a separately stated premium may be charged.

Proposed law provides that in a claims coverage investigation, a transportation network company and its insurer shall cooperate with insurers that are involved in the claims coverage investigation.

Proposed law provides that a participating driver of a transportation network company shall carry proof of transportation network company insurance and shall provide it to any party involved in the accident, a police officer, or both, upon request. A transportation network company that obtains transportation network company insurance shall provide its drivers with proof of insurance.

Proposed law provides for enforcement of the proposed law by appropriate civil remedy in any court of competent jurisdiction by governmental authority or by any person having an interest affected, directly or indirectly, by any violation.

Proposed law provides that any participating driver who shall operate a vehicle upon any street without complying with, or in violation of, any provision of R.S. 45:201.6 shall be guilty of a misdemeanor, and shall be fined not less than one hundred dollars nor more than one thousand dollars, or imprisoned for not less than sixty days nor more than one year, or both.

Declares that the proposed law is remedial in nature and shall be construed liberally.

Proposed law provides for the transportation network company appointing the secretary of state as its agent for the service of process upon the acceptance of participating drivers or customers.

Proposed law provides that the requirements of R.S. 45:201.5, 201.6, 201.7, and 201.9 shall become effective on January 1, 2016.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 45:201.1 through 201.14)