

# HOUSE BILL No. 1278

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 27-7-14.

**Synopsis:** Insurance and transportation networks. Specifies financial responsibility requirements for a motor vehicle used to transport passengers for compensation through a transportation network company. Specifies certain coverage limitations in personal motor vehicle insurance related to use of the vehicle for transportation network purposes.

**Effective:** July 1, 2015.

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## Lehman, Austin, Hale

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January 22, 2015, read first time and referred to Committee on Roads and Transportation.

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First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

# HOUSE BILL No. 1278



A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 27-7-14 IS ADDED TO THE INDIANA CODE AS  
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2015]:  
4 **Chapter 14. Transportation Network Insurance**  
5 **Sec. 1. As used in this chapter, "connection method" means an**  
6 **online application or platform, a digital network, or another**  
7 **electronic means used to connect passengers with network drivers.**  
8 **Sec. 2. As used in this chapter, "motor vehicle insurance" means**  
9 **any type of insurance described in IC 27-1-5-1, Class 2(f).**  
10 **Sec. 3. As used in this chapter, "network driver" means an**  
11 **individual who:**  
12 **(1) uses a motor vehicle to provide transportation network**  
13 **services; and**  
14 **(2) may be, but is not necessarily, employed by the**  
15 **transportation network company.**



1           **Sec. 4. As used in this chapter, "passenger" means an individual**  
 2 **who uses a connection method to obtain transportation network**  
 3 **services.**

4           **Sec. 5. As used in this chapter, "transportation network**  
 5 **company" means an entity that:**

- 6           (1) **does business in Indiana; and**  
 7           (2) **provides a connection method for use by passengers to**  
 8 **obtain transportation network services in exchange for**  
 9 **compensation paid to either the network driver or the entity.**

10          **Sec. 6. (a) As used in this chapter, "transportation network**  
 11 **services", in connection with a transportation network company:**

- 12          (1) **means transportation provided by a network driver:**  
 13           (A) **in a motor vehicle that is not owned by the**  
 14 **transportation network company; and**  
 15           (B) **from an agreed upon point of departure to an agreed**  
 16 **upon destination; and**

- 17          (2) **includes the period:**  
 18           (A) **beginning at the time at which a network driver logs**  
 19 **into a connection method and is available to be matched**  
 20 **with a passenger; and**  
 21           (B) **ending at the time at which all of the following have**  
 22 **occurred:**

- 23           (i) **The destination described in subdivision (1) has been**  
 24 **reached.**  
 25           (ii) **The passenger (and anyone in the passenger's party)**  
 26 **ceases to occupy the motor vehicle in which the network**  
 27 **driver provides the transportation.**  
 28           (iii) **The network driver logs off the connection method.**

29          (b) **"Transportation network services" does not include services**  
 30 **rendered by a taxicab (as defined in IC 8-2.1-17-16) or a limousine**  
 31 **(as defined in IC 8-2.1-17-9.3).**

32          **Sec. 7. (a) A transportation network company, or the owner of**  
 33 **a motor vehicle that is used to provide transportation network**  
 34 **services, shall maintain motor vehicle insurance that meets the**  
 35 **following requirements:**

- 36          (1) **The insurance provides primary liability coverage:**  
 37           (A) **for liability arising from the provision of**  
 38 **transportation network services;**  
 39           (B) **that meets the required minimum coverage**  
 40 **requirements of IC 9-25-5-4; and**  
 41           (C) **that is in an amount equal to at least one million**  
 42 **dollars (\$1,000,000) per occurrence for death, personal**



- 1           injury, and property damage.
- 2           (2) The insurance is purchased from an alien, foreign, or
- 3           domestic insurance company that possesses a certificate of
- 4           authority to transact the business of insurance in Indiana.
- 5           (b) The motor vehicle insurance required by subsection (a) may
- 6           be provided through any of the following:
- 7           (1) A commercial motor vehicle insurance policy purchased
- 8           by the owner of a motor vehicle that is used to provide
- 9           transportation network services.
- 10          (2) An insurance rider to or endorsement on the motor vehicle
- 11          owner's personal motor vehicle insurance policy, including a
- 12          rider or endorsement that, combined with an excess liability
- 13          policy provided by the transportation network company,
- 14          meets the requirement of subsection (a)(1)(C).
- 15          (3) A personal liability motor vehicle insurance policy
- 16          purchased by the network driver that provides the coverage
- 17          required by this section.
- 18          (4) A commercial insurance policy that:
- 19               (A) is purchased by the transportation network company;
- 20               and
- 21               (B) provides the following:
- 22                   (i) The coverage required by subsection (a)(1)(C).
- 23                   (ii) First party coverage for the owner of the motor
- 24                   vehicle that contains the same limits, deductibles, and
- 25                   coverage options purchased by the owner in the owner's
- 26                   personal motor vehicle insurance policy.
- 27          Sec. 8. A network driver shall, at all times during the network
- 28          driver's use of a motor vehicle for the provision of transportation
- 29          network services:
- 30               (1) carry proof of financial responsibility as:
- 31                   (A) described in IC 9-25-5; and
- 32                   (B) required by this chapter; and
- 33               (2) in the event of an accident, provide the proof of financial
- 34               responsibility upon request to:
- 35                   (A) a law enforcement officer; and
- 36                   (B) any other party involved in the accident.
- 37          Sec. 9. (a) A transportation network company or the
- 38          transportation network company's insurer shall cooperate with
- 39          each insurer involved in a claim coverage investigation to facilitate
- 40          the exchange of information, including the provision of the:
- 41               (1) date and time at which an accident occurs involving a
- 42               network driver; and



- 1           (2) precise time that the network driver logged on and off the  
2           connection method.
- 3           (b) If a transportation network company provides primary  
4           motor vehicle insurance coverage under section 7(b)(4) of this  
5           chapter, both of the following apply:
- 6           (1) The transportation network company:
- 7               (A) assumes liability, including the cost of defense and  
8               indemnification, for a claim in which a dispute exists  
9               concerning whether the loss or injury giving rise to the  
10              claim occurred during a period described in section 6(a)(2)  
11              of this chapter; and
- 12              (B) shall notify the motor vehicle owner and the motor  
13              vehicle owner's insurer of a dispute described in clause (A)  
14              within twenty-five (25) business days after receiving notice  
15              of the accident giving rise to the claim.
- 16           (2) If the motor vehicle owner or motor vehicle owner's  
17           insurer is named as a defendant in a civil action for a loss or  
18           injury that occurs during a period described in section 6(a)(2)  
19           of this chapter, the transportation network company has the  
20           duty to defend and indemnify the motor vehicle owner,  
21           network driver, motor vehicle owner's insurer, and network  
22           driver's insurer.
- 23           Sec. 10. (a) Coverage:
- 24               (1) under a policy, rider, or endorsement required by section  
25               7 of this chapter; and
- 26               (2) for liability resulting in connection with the provision of  
27               transportation network services;
- 28           may not be conditioned on a denial of a claim for coverage under  
29           a personal motor vehicle insurance policy.
- 30           (b) An insurer that issues a personal motor vehicle insurance  
31           policy is not required to deny a claim as a condition of the coverage  
32           described in subsection (a)(1) and (a)(2).
- 33           Sec. 11. A transportation network company shall ensure that if:
- 34               (1) a network driver or motor vehicle owner maintains a  
35               personal insurance policy to meet the requirements of this  
36               chapter; and
- 37               (2) coverage under the personal insurance policy ceases to be  
38               in effect;
- 39           the transportation network company has insurance in place to  
40           provide the coverage required by section 7 of this chapter.
- 41           Sec. 12. (a) Notwithstanding any other law or provision in a  
42           personal lines primary or excess insurance policy, with respect to



1 liability related to the provision of transportation network services  
 2 during the period described in section 6(a)(2) of this chapter, the  
 3 following apply:

4 (1) The motor vehicle owner's personal motor vehicle  
 5 insurance policy does not provide any coverage to the network  
 6 driver, the motor vehicle owner, or a third party unless the  
 7 policy:

8 (A) expressly provides coverage during the period  
 9 described in section 6(a)(2) of this chapter; or

10 (B) contains an insurance rider or endorsement to provide  
 11 coverage during the period described in section 6(a)(2) of  
 12 this chapter.

13 (2) The insurer that issues the motor vehicle owner's personal  
 14 motor vehicle insurance policy does not have a duty to defend  
 15 or indemnify the network driver, the motor vehicle owner, or  
 16 a third party for the network driver's activities in connection  
 17 with the transportation network company, unless the policy:

18 (A) expressly provides coverage as described in subdivision  
 19 (1)(A); or

20 (B) contains an insurance rider or endorsement as  
 21 described in subdivision (1)(B).

22 (b) Notwithstanding any other law, a personal motor vehicle  
 23 insurance policy may do the following:

24 (1) Expressly provide liability coverage for a personal motor  
 25 vehicle, including a network driver, while used in connection  
 26 with a transportation network company during a period  
 27 described in section 6(a)(2) of this chapter.

28 (2) Contain an insurance rider or endorsement to provide the  
 29 coverage described in subdivision (1).

