

1 "Prearranged ride" means the provision of transportation by
2 a transportation network company driver to a transportation
3 network company rider:

4 (1) Beginning when a transportation network company driver
5 accepts a transportation network company rider's
6 request for a rider through a digital network;

7 (2) Continuing while the transportation network company
8 driver transports the transportation network company
9 rider; and

10 (3) Ending when the last requesting transportation network
11 company rider departs from the personal vehicle;

12 provided that the term "prearranged ride" shall not include
13 transportation provided through:

14 (1) A ridesharing arrangement as defined in section 279G-
15 1;

16 (2) A taxicab, limousine, or other for-hire vehicle; or

17 (3) A regional transportation provider.

18 "Transportation network company" means a corporation,
19 partnership, sole proprietorship, or other entity operating in
20 Hawaii that uses a digital network to connect transportation
21 network company riders to transportation network company drivers



1 who provide prearranged rides. A transportation network company
2 shall not be deemed to control, direct, or manage the personal
3 vehicle or transportation network company drivers that connect
4 to the digital network, except where agreed to by written
5 contract.

6 "Transportation network company driver" means an individual
7 who receives connections to potential riders and related
8 services from a transportation network company and uses a
9 personal vehicle to offer or provide a prearranged ride to
10 transportation network company riders upon connection through a
11 digital network controlled by a transportation network company
12 in exchange for compensation or payment of a fee.

13 "Transportation network company rider" means an individual
14 or persons who use a transportation network company's digital
15 network to connect with a transportation network company driver
16 who provided prearranged rides to the transportation network
17 company rider in the transportation network company driver's
18 personal vehicle between points chosen by the transportation
19 network company rider.

20 § -2 Not other carriers. (a) Neither a transportation
21 network company nor a transportation network company driver



1 shall be deemed to be a common carrier, a contract carrier, a
2 motor carrier as defined in section 271-4, a taxicab, or a for-
3 hire vehicle service.

4 (b) A transportation network company driver shall not be
5 required to register the vehicle that the transportation network
6 company driver uses to provide prearranged rides as a commercial
7 or for-hire vehicle.

8 § -3 Financial responsibility of transportation network
9 companies. (a) On or before July 1, 2016, and thereafter, a
10 transportation network company driver or transportation network
11 company, on the transportation network driver's behalf, shall
12 maintain primary automobile insurance that recognizes that the
13 driver is a transportation network company driver or otherwise
14 uses a vehicle to transport passengers for compensation and
15 covers the transportation network company driver:

16 (1) While the transportation network company driver is
17 logged on to the transportation network company's
18 digital network; or

19 (2) While the transportation network company driver is
20 engaged in a prearranged ride.



1 (b) The following automobile insurance requirements shall
2 apply while a transportation network company driver is logged on
3 to the transportation network company's digital network and is
4 available to receive transportation requests but is not engaged
5 in a prearranged ride:

6 (1) Primary automobile liability coverage in the amount of
7 at least \$50,000 for death and bodily injury per
8 person; \$100,000 per death and bodily injury per
9 incident; and \$25,000 for property damage;

10 (2) Personal injury protection coverage in an amount that
11 meets the minimum coverage amount requirements of
12 section 431:10C-103.5; and

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

15 (A) Automobile insurance maintained by the
16 transportation network company driver;

17 (B) Automobile insurance maintained by the
18 transportation network company; or

19 (C) Any combination of paragraphs (1) and (2).



1 (c) The following automobile insurance requirements shall
2 apply while a transportation network company driver is engaged
3 in a prearranged ride:

4 (1) Primary automobile liability coverage that provides at
5 least \$1,000,000 for death, bodily injury, and
6 property damage;

7 (2) Personal injury protection coverage in an amount that
8 meets the minimum coverage amount requirements of
9 section 431:10C-103.5; and

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

12 (A) Automobile insurance maintained by the
13 transportation network company driver;

14 (B) Automobile insurance maintained by the
15 transportation network company; or

16 (C) Any combination of paragraphs (1) and (2).

17 (d) If insurance maintained by a transportation network
18 company driver in subsections (b) or (c) has lapsed or does not
19 provide the required coverage, the insurance maintained by the
20 transportation network company shall provide the coverage



1 required by this section beginning with the first dollar of a
2 claim and shall have the duty to defend the claim.

3 (e) Coverage under an automobile insurance policy
4 maintained by the transportation network company shall not be
5 dependent on a personal automobile insurer first denying a claim
6 nor shall a personal automobile insurance policy be required to
7 first deny a claim.

8 (f) Insurance required by this section may be placed with
9 an insurer licensed under section 431:3-203 or with a surplus
10 lines insurer eligible under section 431:8-301 that has a credit
11 rating of no less than "A-" from A.M. Best or "A" from Demotech
12 or similar rating from another rating agency recognized by the
13 insurance commissioner.

14 (g) Insurance satisfying the requirements of this section
15 shall be deemed to satisfy the financial responsibility
16 requirements for a motor vehicle under chapter 287, Hawaii
17 Revised Statutes.

18 (h) A transportation network company driver shall carry
19 proof of insurance coverage satisfying subsections (b) and (c)
20 with the vehicle at all times when the vehicle is being used in
21 connection with a transportation network company's digital



1 network. In the event of an accident, a transportation network
2 company driver shall provide this insurance coverage information
3 to the directly interested parties, automobile insurers, and
4 investigating police officers, upon request pursuant to section
5 291C-137. Upon such a request, a transportation network company
6 driver shall also disclose to directly interested parties,
7 automobile insurers, and investigating police officers, whether
8 the transportation network company driver was logged on to the
9 transportation network company's digital network or on a
10 prearranged ride at the time of the accident.

11 § -4 Disclosures. A transportation network company
12 shall disclose in writing to transportation network company
13 drivers the following before they are allowed to accept a
14 request for a prearranged ride on the transportation network
15 company's digital network:

16 (1) The insurance coverage, including the types of
17 coverage and the limits for each type of coverage,
18 which the transportation network company provides
19 while the transportation network company driver uses a
20 personal vehicle in connection with a transportation
21 network company's digital network; and



1 (2) That the transportation network company driver's own
2 automobile insurance policy might not provide any
3 coverage while the transportation network company
4 driver is logged on to the transportation network
5 company's digital network and is available to receive
6 transportation requests or is engaged in a prearranged
7 ride, depending on its terms.

8 § -5 Automobile insurance provisions. (a) Insurers
9 that write automobile insurance policies in Hawaii may exclude
10 any and all coverage afforded under the policy issued to an
11 owner or operator of a personal vehicle for any loss or injury
12 that occurs while a transportation network company driver is
13 logged on to a transportation network company's digital network
14 or while a transportation network company driver provides a
15 prearranged ride. The right to exclude all coverage may apply
16 to any coverage included in an automobile insurance policy,
17 including but not limited to:

- 18 (1) Liability coverage for bodily injury and property
19 damage;
- 20 (2) Personal injury protection coverage as defined in
21 section 431:10C-103.5;



- 1 (3) Uninsured and underinsured motorist coverage;
- 2 (4) Medical payments coverage;
- 3 (5) Comprehensive physical damage coverage; and
- 4 (6) Collision physical damage coverage.

5 Such exclusions shall apply notwithstanding any requirement
6 under chapter 287. Nothing in this section shall imply or
7 require that a personal automobile insurance policy provide
8 coverage while a transportation network company driver is logged
9 on to the transportation network company's digital network,
10 while the transportation network company driver is engaged in a
11 prearranged ride, or while the transportation network company
12 driver otherwise uses a vehicle to transport passengers for
13 compensation.

14 Nothing in this section shall be construed as to require an
15 insurer to use any particular policy language or reference to
16 this section to exclude any and all coverage for any loss or
17 injury that occurs while a transportation network company driver
18 is logged on to a transportation network company's digital
19 network or while a transportation network company driver
20 provides a prearranged ride.



1 Nothing shall be deemed to preclude an insurer from
2 providing primary or excess coverage for the transportation
3 network company driver's vehicle, or, if it so chose to do so by
4 contract or endorsement.

5 (b) Automobile insurers that exclude insurance coverage as
6 provided for under this section shall have no duty to defend and
7 indemnify any claim expressly excluded thereunder. Nothing in
8 this section shall be deemed to invalidate or limit an exclusion
9 contained in a policy including any policy in use or approved
10 for use in Hawaii prior to the enactment of this section that
11 excludes coverage for vehicles used to carry persons or property
12 for a charge or available for hire by the public.

13 An automobile insurer that defends or indemnifies a claim
14 against a driver that is excluded under the terms of its policy
15 shall have a right of contribution against other insurers that
16 provide automobile insurance to the same driver in satisfaction
17 of the coverage requirements of section -3 at the time of
18 loss.

19 (c) In a claims coverage investigation, a transportation
20 network company shall immediately provide upon request by
21 directly involved parties or any insurer of the transportation

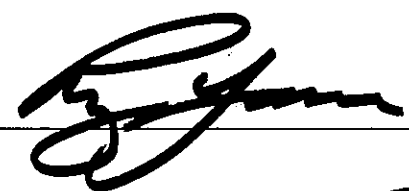
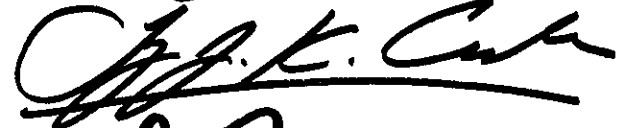




1 network company driver, if applicable, the precise times that
2 the transportation network company driver logged on and off the
3 transportation network company's digital network in the twelve-
4 hour period immediately preceding the accident and in the
5 twelve-hour period immediately following the accident. Insurers
6 potentially providing coverage as set forth in -3 shall
7 disclose, upon request by any other such insurer involved in the
8 particular claim, the applicable coverages, exclusions, and
9 limits provided under any automobile insurance maintained under
10 section -3."

11 SECTION 2. This Act shall take effect on July 1, 2016.

12

INTRODUCED BY:





JAN 26 2016



H.B. NO. 2504

Report Title:

Transportation Network Companies; Transportation Network Company Drivers; Automobile Insurance

Description:

Establishes automobile insurance requirements for transportation network companies and persons who operate or serve as drivers for transportation network companies.

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