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SENATE DRS35093-MH-28 (01/20)

Short Title: Regulate Transportation Network Services. (Public)

Sponsors: Senators McKissick and Meredith (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO REQUIRE FINANCIAL RESPONSIBILITY FOR OPERATORS OF  
3 DIGITALLY DISPATCHED PREARRANGED TRANSPORTATION SERVICES.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. The title of Article 10 of Chapter 20 of the General Statutes reads as  
6 rewritten:

7 "Article 10.

8 "Financial Responsibility of Taxicab ~~Operators~~ Operators and Providers of Digitally  
9 Dispatched Prearranged Transportation Services."

10 SECTION 2. Article 10 of Chapter 20 of the General Statutes is amended by  
11 adding a new section to read:

12 "**§ 20-280.1 Requirements for digitally dispatched prearranged transportation services.**

13 (a) The following definitions apply to this section:

14 (1) Participating driver or driver. – Any person who uses a vehicle in connection  
15 with a transportation network company's online-enabled application or  
16 platform to connect with passengers.

17 (2) Transportation network company. – An organization, including, but not  
18 limited to, a corporation, limited liability company, partnership, sole  
19 proprietor, or any other entity, operating in the State that provides digital  
20 dispatching services for prearranged transportation services for hire using an  
21 online-enabled application or platform to connect passengers with drivers  
22 using a personal vehicle.

23 (3) Transportation network company insurance. – A liability insurance policy  
24 that specifically covers liabilities arising from a driver's use of a vehicle in  
25 connection with a transportation network company's online-enabled  
26 application or platform.

27 (b) A transportation network company shall disclose in writing to participating drivers,  
28 as part of its agreement with those drivers, the following:

29 (1) The insurance coverage and limits of liability that the transportation network  
30 company provides while the driver uses a vehicle in connection with a  
31 transportation network company's online-enabled application or platform.

32 (2) That the driver's personal automobile insurance policy will not provide  
33 coverage when the driver uses a vehicle in connection with a transportation  
34 network company's online-enabled application or platform.

35 (3) That the driver's personal automobile insurance policy will not provide  
36 collision or comprehensive coverage for damage to the vehicle used by the



1 driver from the moment the driver logs on to the transportation network  
2 company's online-enabled application or platform to the moment the driver  
3 logs off the transportation network company's online-enabled application or  
4 platform.

5 (c) A transportation network company shall provide direct notice of participation in the  
6 transportation network to the driver's personal auto insurer unless that insurer is providing  
7 transportation network company insurance to the driver.

8 (d) A transportation network company and any participating driver shall maintain  
9 transportation network company insurance as provided in this subsection.

10 (1) The following requirements shall apply to transportation network company  
11 insurance from the moment a participating driver accepts a ride request on  
12 the transportation network company's online-enabled application or platform  
13 until the driver completes the transaction on the online-enabled application  
14 or platform or until the ride is complete, whichever is later:

15 a. Transportation network company insurance shall be primary and in  
16 the amount of one million dollars (\$1,000,000) for death, personal  
17 injury, and property damage. The requirements for the coverage  
18 required by this sub-subdivision may be satisfied by any of the  
19 following:

20 1. Transportation network company insurance maintained by a  
21 participating driver.

22 2. Transportation network company insurance maintained by a  
23 transportation network company.

24 3. Any combination of sub-sub-subdivisions 1. and 2. of  
25 sub-subdivision a. of this subdivision.

26 b. Transportation network company insurance coverage provided under  
27 this subdivision shall also provide for uninsured motorist coverage  
28 and underinsured motorist coverage in the amount of one million  
29 dollars (\$1,000,000) from the moment a passenger enters the vehicle  
30 of a participating driver until the passenger exits the vehicle.

31 c. The insurer, in the case of insurance coverage provided under this  
32 subdivision, shall have the duty to defend and indemnify the insured.

33 d. A transportation network company may meet its obligations under  
34 this subdivision through a policy obtained by a participating driver  
35 pursuant to sub-sub-subdivisions 1. or 3. of sub-subdivision a. of this  
36 subdivision only if the transportation network company verifies that  
37 the policy is maintained by the driver and is specifically written to  
38 cover the driver's use of a vehicle in connection with a transportation  
39 network company's online-enabled application or platform.

40 (2) The following requirements shall apply to transportation network company  
41 insurance from the moment a participating driver logs on to the  
42 transportation network company's online-enabled application or platform  
43 until the driver accepts a request to transport a passenger, and from the  
44 moment the driver completes the transaction on the online-enabled  
45 application or platform or the ride is complete, whichever is later, until the  
46 driver either accepts another ride request on the online-enabled application  
47 or platform or logs off the online-enabled application or platform:

48 a. Transportation network company insurance shall be primary and in  
49 the amount of at least fifty thousand dollars (\$50,000) for death and  
50 personal injury per person, one hundred thousand dollars (\$100,000)

- 1                   for death and personal injury per incident, and thirty thousand dollars  
2                   (\$30,000) for property damage.
- 3                   b. Transportation network company insurance coverage shall also  
4                   provide uninsured and underinsured motorist coverage as required by  
5                   G.S. 279-21(b)(3).
- 6                   c. If a participating driver carries collision physical damage coverage  
7                   on the driver's personal auto policy, then the transportation network  
8                   company insurance shall provide the same physical damage coverage  
9                   from the moment a participating driver logs on to the transportation  
10                  network company's online-enabled application or platform until the  
11                  driver logs off the online-enabled application or platform.
- 12                  d. The requirements for the coverage required by this subdivision may  
13                  be satisfied by any of the following:
- 14                    1. Transportation network company insurance maintained by a  
15                    participating driver.
- 16                    2. Transportation network company insurance maintained by a  
17                    transportation network company that provides coverage in the  
18                    event a participating driver's insurance policy under  
19                    sub-sub-subdivision 1. has ceased to exist or has been  
20                    canceled, or the participating driver does not otherwise  
21                    maintain transportation network company insurance pursuant  
22                    to this subdivision.
- 23                    3. Any combination of sub-sub-subdivisions 1. and 2. of  
24                    sub-subdivision d. of this subdivision.
- 25                  e. A transportation network company shall also maintain insurance  
26                  coverage that provides excess coverage insuring the transportation  
27                  network company and the driver in the amount of at least two  
28                  hundred thousand dollars (\$200,000) per occurrence to cover any  
29                  liability arising from a participating driver using a vehicle in  
30                  connection with a transportation network company's online-enabled  
31                  application or platform within the time periods specified in this  
32                  subdivision, which liability exceeds the required coverage limits in  
33                  sub-subdivision a. of this subdivision.
- 34                  f. The insurer providing insurance coverage under this subdivision shall  
35                  be the only insurer having the duty to defend any liability claim  
36                  arising from an accident occurring within the time periods specified  
37                  in this subdivision.
- 38                  g. A transportation network company may meet its obligations under  
39                  this subdivision through a policy obtained by a participating driver  
40                  pursuant to sub-sub-subdivisions 1. or 3. of sub-subdivision d. of this  
41                  subdivision only if the transportation network company verifies that  
42                  the policy is maintained by the driver and is specifically written to  
43                  cover the driver's use of a vehicle in connection with a transportation  
44                  network company's online-enabled application or platform.
- 45                  (3) Coverage under a transportation network company insurance policy shall not  
46                  be dependent on a personal automobile insurance policy first denying a  
47                  claim nor shall a personal automobile insurance policy be required to first  
48                  deny a claim.
- 49                  (4) In every instance where transportation network company insurance  
50                  maintained by a participating driver to fulfill the insurance obligations of  
51                  this section has lapsed or ceased to exist, the transportation network

1 company shall provide the coverage required by this section beginning with  
2 the first dollar of a claim.

3 (5) This section shall not limit the liability of a transportation network company  
4 arising out of an automobile accident involving a participating driver in any  
5 action for damages against a transportation network company for an amount  
6 above the required insurance coverage.

7 (e) Nothing in this section shall be construed to require a private passenger automobile  
8 insurance policy to provide primary or excess coverage during the period of time from the  
9 moment a participating driver in a transportation network company logs on to the transportation  
10 network company's online-enabled application or platform until the driver logs off the  
11 online-enabled application or platform or the passenger exits the vehicle, whichever is later.

12 (f) During the period of time from the moment a participating driver in a transportation  
13 network company logs on to the transportation network company's online-enabled application  
14 or platform until the driver logs off the online-enabled application or platform or the passenger  
15 exits the vehicle, whichever is later, all of the following shall apply:

16 (1) The participating driver's or the vehicle owner's personal automobile  
17 insurance policy shall not provide any coverage to the participating driver,  
18 vehicle owner, or any third party, unless the policy expressly provides for  
19 that coverage during the period of time to which this subdivision is  
20 applicable, with or without a separate charge, or the policy contains an  
21 amendment or endorsement to provide that coverage, for which a separately  
22 stated premium is charged.

23 (2) The participating driver's or the vehicle owner's personal automobile  
24 insurance policy shall not have the duty to defend or indemnify for the  
25 driver's activities in connection with the transportation network company,  
26 unless the policy expressly provides otherwise for the period of time to  
27 which this subdivision is applicable, with or without a separate charge, or the  
28 policy contains an amendment or endorsement to provide that coverage, for  
29 which a separately stated premium is charged.

30 (g) Notwithstanding any other law, a personal automobile insurer may, at its discretion,  
31 offer an automobile liability insurance policy, or an amendment or endorsement to an existing  
32 policy that covers a private passenger vehicle, station wagon type vehicle, sport utility vehicle,  
33 or similar type of vehicle with a passenger capacity of eight persons or less, including the  
34 driver, while used in connection with a transportation network company's online-enabled  
35 application or platform only if the policy expressly provides for the coverage during the time  
36 period specified in of subdivision (1) of subsection (d) of this section, with or without a  
37 separate charge, or the policy contains an amendment or an endorsement to provide that  
38 coverage, for which a separately stated premium may be charged.

39 (h) In a claims coverage investigation, a transportation network company or its insurer  
40 shall cooperate with insurers that are involved in the claims coverage investigation to facilitate  
41 the exchange of information, including the provision of dates and times at which an accident  
42 occurred that involved a participating driver and the precise times that the participating driver  
43 logged on and off the transportation network company's online-enabled application or platform.

44 (i) A transportation network company shall not disclose to a third party any personally  
45 identifiable information of a transportation network company passenger unless one of the  
46 following applies:

47 (1) The customer knowingly consents.

48 (2) The disclosure is made pursuant to a requirement of State law.

49 (3) The disclosure is to the Attorney General in order to investigate a complaint  
50 filed with the Attorney General against a transportation network company or

1                   a participating driver and the Attorney General treats the information as  
2                   confidential information.  
3       (j)   A participating driver of a transportation network company shall carry proof of  
4       transportation network company insurance coverage with him or her at all times during his or  
5       her use of a vehicle in connection with a transportation network company's online-enabled  
6       application or platform. In the event of an accident, a participating driver shall provide this  
7       insurance coverage information to any other party involved in the accident, and to a law  
8       enforcement officer, upon request.  
9       (k)   Notwithstanding any other provision of this Chapter or Chapter 58 of the General  
10      Statutes, this section determines the obligations under insurance policies issued to  
11      transportation network companies and, if applicable, drivers using a vehicle in connection with  
12      a transportation network company's online-enabled application or platform."  
13               **SECTION 3.** This act becomes effective July 1, 2015.