

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 1783  
**Version:** First engrossment

**DATE:** March 19, 2015

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**Subject:** Transportation companies and auto insurance

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### Overview

Currently in Minnesota there are transportation companies who, through the use of a cellphone app, have drivers use their personal motor vehicles to provide transportation services to passengers for a fee. This bill requires certain types and levels of auto insurance be in place while the driver is logged onto the app, or providing transportation services.

#### Section

##### **1 Transportation network financial responsibility.**

**Subd. 1. Definitions.** Defines “transportation network company” as a company that, through an app, provides transportation services through “participating drivers” who use their personal motor vehicles to transport passengers. Defines a plan of “transportation network financial responsibility” as an auto insurance policy that meets the requirements in subdivision 3, and is not the “participating driver’s motor vehicle insurance,” which only covers personal use of the motor vehicle.

**Subd. 2. Disclosure to drivers.** Requires the transportation company to disclose to its drivers in writing the required auto insurance, and the liability coverage the transportation company provides. Requires the transportation company to advise the drivers in writing that the driver’s personal auto insurance may not provide coverage when the driver is providing transportation services.

**Subd. 3. Required auto insurance coverage.** Requires that all drivers have specific types and levels of auto insurance while they are logged onto the transportation company’s app, or are providing transportation services.

## Section

When the driver has logged onto the app, but is not engaged in a transaction and does not have passengers, the driver must have auto insurance with the following coverages: (1) \$50,000 in liability for injury to one person in an accident, \$100,000 in liability for injury to more than one person in an accident, and \$30,000 in liability for damage to property in an accident; (2) \$40,000 in basic economic loss benefits; (3) \$50,000 and \$100,000, respectively, for an accident involving one person, or involving more than one person, in uninsured and underinsured motorist coverage; (4) collision and comprehensive coverage (if the driver has this on their personal auto insurance); and (5) the insurance company has a duty to defend the driver, transportation company, or other insured.

When the driver has accepted a ride request until the transaction or ride is complete, the driver must have auto insurance with the following coverages: (1) \$1 million in liability; (2) \$40,000 in basic economic loss benefits; (3) \$1 million in uninsured and underinsured motorist coverage; (4) collision and comprehensive coverage (if the driver has this on their personal auto insurance); and (5) the insurance company has a duty to defend the driver, transportation company, or other insured.

This subdivision also allows the driver, the transportation company, or a combination of the parties to purchase the required auto insurance coverage. Requires the transportation companies to verify the driver has the required auto insurance coverage, and that the transportation company must provide the required coverage if the driver fails to do so. Insurance companies cannot make coverage under the required insurance policy dependent on another insurance company first denying the claim. Allows insurance to be purchased from a Minnesota insurance company, or a surplus lines insurer.

**Subd. 4. Driver's personal auto insurance.** Clarifies that an insurance company does not need to provide coverage under a driver's personal auto insurance, or defend any party, if damage occurs while the driver is providing transportation services for the transportation company. Insurance companies can offer for sale insurance policies, amendments, and endorsements that provide the required auto insurance described in subdivision 3.

**Subd. 5. Claims investigation.** Requires the transportation company, driver, and insurance company to provide certain information and cooperate with other insurance companies when a claim is being investigated.

**Subd. 6. Proof of insurance.** Requires a driver to carry proof of the required insurance while they are providing transportation services for a transportation company.

**Subd. 7. Authority.** Provides that the auto insurance chapter determines all obligations of financial responsibility involving transportation companies and drivers.

**Section**

- 2**      **Assigned claims; indemnification and subrogation.** Provides that, pursuant to the assignment of a claim to the assigned claims bureau, the insurance company that pays the claim then has all the basic economic benefit coverage rights the person receiving payment may have against a transportation company or driver.