

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2224**

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**Introduced by Assembly Member Nazarian**

February 20, 2014

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~~An act to amend Section 667.5 of the Insurance Code, relating to insurance.~~ *An act to add Chapter 8.5 (commencing with Section 5430) to Division 2 of the Public Utilities Code, relating to transportation.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2224, as amended, Nazarian. ~~Insurance: cancellation: failure to renew.~~ *Transportation network companies: insurance coverage.*

*Under existing law, the Passenger Charter-party Carriers' Act, the Public Utilities Commission has adopted rules and regulations relating to public safety risks in the operation of transportation services utilizing transportation network companies. Those regulations define a transportation network company as an organization operating in California that provides prearranged transportation services for compensation using an online-enabled platform to connect passengers with drivers using their personal vehicles. Existing regulations of the commission require, among other things, a transportation network company to acquire a commercial liability insurance policy for incidents involving transportation network company vehicles and drivers in transit to or during a transportation network company trip.*

*This bill would more broadly define "transportation network company" by excluding the requirement that a transportation network company trip be prearranged and would provide that the Public Utilities Commission shall require a transportation network company to have in effect a primary commercial motor vehicle liability insurance policy*

*to cover the vehicles of its participating drivers, as part of its agreement with those drivers, with respect to personal injury liability, property damage liability, and personal injury protection liability benefits available to drivers, passengers, pedestrians, and others, as specified.*

~~Existing law requires, with exceptions, that the cancellation of an insurance policy or any change in the policy, executed by the insurer at the request of the named insured designated on the declarations page of the policy, is binding on any other insured or named insured. The insurer is required to mail or deliver the notice of cancellation or an endorsement evidencing the named insured’s request to all individuals or entities designated as named insureds on the declarations page of the policy.~~

~~This bill would make technical, nonsubstantive changes to those provisions:~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Chapter 8.5 (commencing with Section 5430) is  
2     added to Division 2 of the Public Utilities Code, to read:

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4             CHAPTER 8.5. TRANSPORTATION NETWORK COMPANIES

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6     5430. As used in this chapter, a “transportation network  
7     company” is an organization, including, but not limited to, a  
8     corporation, partnership, or sole proprietor, operating in this  
9     state, that provides transportation services for compensation using  
10    an online-enabled application or platform to connect passengers  
11    with drivers using their personal vehicles.

12    5431. The commission shall require a transportation network  
13    company to have in effect a primary commercial motor vehicle  
14    liability insurance policy to cover the vehicles of its participating  
15    drivers, as part of its agreement with those drivers, with respect  
16    to personal injury liability, property damage liability, and personal  
17    injury protection liability benefits available to drivers, passengers,  
18    pedestrians, and others, with a minimum coverage of at least one  
19    million dollars (\$1,000,000) per incident.

20    SECTION 1. ~~Section 667.5 of the Insurance Code is amended~~  
21    to read:

1     ~~667.5. (a) Unless a policy specifically provides otherwise, the~~  
2 ~~cancellation of a policy, or any change in a policy, executed by an~~  
3 ~~insurer, at the request of the named insured designated on the~~  
4 ~~declarations page of the policy, shall be binding upon any other~~  
5 ~~insured or named insured.~~

6     ~~(b) Notice of cancellation or an endorsement evidencing the~~  
7 ~~named insured's request shall be mailed or delivered to the address~~  
8 ~~stated in the policy to all individuals or to all entities designated~~  
9 ~~as named insureds on the declarations page of the policy.~~

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