

AMENDED IN ASSEMBLY MAY 15, 2014

AMENDED IN ASSEMBLY APRIL 10, 2014

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2293

Introduced by Assembly Member Bonilla

February 21, 2014

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 2293, as amended, Bonilla. 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 policy for incidents involving transportation network company vehicles and drivers in transit to or during a transportation network company trip.

This bill would similarly define "transportation network company" and would require a transportation network company to disclose in writing to participating drivers, as part of its agreement with those

drivers, the insurance coverage and limits of liability provided by the transportation network company and to advise a participating driver in writing that the driver’s personal automobile insurance policy may not provide coverage while the driver makes himself or herself available for transportation network company services.

The bill would require a transportation network company’s insurance policy to apply, as the primary coverage, in the event of a loss or injury when a participating driver is logged on to the transportation network company’s application program.

The bill would also require the transportation network company’s insurance company to defend and indemnify the participating driver and the person to whom the personal motor vehicle is registered in a civil action for a loss or injury that occurs when the personal motor vehicle is made available for transportation network services.

Vote: majority. Appropriation: no. Fiscal committee: no. 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:

3
4 CHAPTER 8.5. TRANSPORTATION NETWORK COMPANIES
5

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 California
9 that provides prearranged transportation services for compensation
10 using an online-enabled application or platform to connect
11 passengers with drivers using their personal vehicles.

12 5431. (1) A transportation network company shall disclose in
13 writing to participating drivers, as part of its agreement with those
14 drivers, the insurance coverage and limits of liability that the
15 transportation network company provides while a driver makes
16 himself or herself available for transportation network company
17 services, and shall advise a participating driver in writing that the
18 driver’s personal automobile insurance policy may not provide
19 coverage while the driver makes himself or herself available for
20 transportation network company services.

1 (2) A transportation network company's insurance policy is the
2 primary policy coverage. If an applicable personal automobile
3 insurance policy exists, the coverage of that policy is excess.

4 5432. For purposes of determining insurance coverage, a
5 transportation network company's insurance policy shall apply in
6 the event of a loss or injury when a participating driver logs on to
7 the transportation network company's application program.
8 Coverage under the transportation network company's insurance
9 policy ceases when the driver logs off from the transportation
10 network company's application program.

11 5433. If a participating driver or the person to whom the
12 personal motor vehicle is registered is named a party in a civil
13 action for a loss or injury that occurs during any time period when
14 the personal motor vehicle is made available for transportation
15 network services, the transportation network company's insurance
16 company shall have the duty to defend and indemnify the
17 participating driver and the person to whom the personal motor
18 vehicle is registered.

19 *5434. Notwithstanding Section 11580.9 of the Insurance Code,*
20 *or any other law affecting whether one or more policies of*
21 *insurance that may apply with respect to an occurrence is primary*
22 *or excess, this chapter determines the obligations under insurance*
23 *policies issued to transportation network companies and, if*
24 *applicable, drivers providing transportation network services for*
25 *transportation network companies.*