

REFERENCE TITLE: transportation network services; insurance requirements

State of Arizona
House of Representatives
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HB 2774

Introduced by
Representatives Austin: Aguilar, Bravo, Cano, Contreras L, Longdon, Ortiz,
Peshlakai, Quiñonez, Salman, Schwiebert, Shah, Sun

AN ACT

AMENDING SECTION 28-4038, ARIZONA REVISED STATUTES; RELATING TO
TRANSPORTATION FINANCIAL RESPONSIBILITY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 28-4038, Arizona Revised Statutes, is amended to
3 read:

4 28-4038. Transportation network services; financial
5 responsibility requirements; survey

6 A. For a transportation network company that requires a
7 transportation network company driver to accept rides that are booked and
8 paid for exclusively through the transportation network company's digital
9 network or software application and during the time in which the
10 transportation network company driver is logged in to the transportation
11 network company's digital network or software application to be a driver,
12 but is not in the act of providing transportation network services, the
13 transportation network company driver or the transportation network
14 company, or both, shall provide primary motor vehicle liability insurance
15 coverage in the amount of \$25,000 because of bodily injury to or death of
16 one person in any one accident, subject to the limit for one person,
17 \$50,000 because of bodily injury to or death of two or more persons in any
18 one accident and \$20,000 because of injury to or destruction of property
19 of others in any one accident. Coverage shall be maintained through any
20 of the following:

21 1. A private passenger motor vehicle policy maintained by the
22 transportation network company driver that expressly provides liability
23 coverage while the driver is logged in to the transportation network
24 company's digital network or software application to be a driver.

25 2. A motor vehicle liability policy maintained by the
26 transportation network company.

27 3. A commercial motor vehicle liability policy.

28 B. For a transportation network company that requires a
29 transportation network company driver to accept rides that are booked and
30 paid for exclusively through the transportation network company's digital
31 network or software application and during the time in which the
32 transportation network company driver is providing transportation network
33 services, the transportation network company driver or the transportation
34 network company, or both, shall maintain the following insurance
35 coverages:

36 1. Primary commercial motor vehicle liability insurance that covers
37 the transportation network company driver's provision of transportation
38 network services in a minimum amount of \$250,000 per incident.

39 2. Commercial uninsured motorist coverage in a minimum amount of
40 \$250,000 per incident.

41 3. **UNDERINSURED MOTORIST COVERAGE IN A MINIMUM AMOUNT OF \$250,000**
42 **PER INCIDENT.**

43 C. Unless an insurance policy expressly provides coverage or
44 contains an amendment or endorsement that expressly provides coverage, the
45 transportation network company driver's insurance policy and the motor

1 vehicle owner's personal motor vehicle insurance policy shall not be
2 required to provide coverage for the transportation network company
3 vehicle, the transportation network company driver, the motor vehicle
4 owner or any third party while a transportation network company driver is
5 logged in to a transportation network company's digital network or
6 software application to be a driver or is providing transportation network
7 services.

8 D. Notwithstanding subsection C of this section, an insurer may
9 offer, for the period during which a transportation network company driver
10 is logged in to a transportation network company's digital network or
11 software application to be a driver or is providing transportation network
12 services, one of the following:

13 1. A motor vehicle liability insurance policy expressly providing
14 such coverage.

15 2. An amendment or endorsement to an existing motor vehicle
16 liability insurance policy specifically providing such coverage.

17 E. An insurance policy required by this section is deemed to
18 satisfy the financial responsibility requirements for a motor vehicle
19 insurance policy under this title.

20 F. A transportation network company driver shall carry proof of
21 insurance in the transportation network company vehicle at all times while
22 logged in to a transportation network company's digital network or
23 software application to be a driver or is providing transportation network
24 services. If an accident occurs involving a transportation network
25 company vehicle, the transportation network company driver shall provide
26 proof of insurance to the parties involved in the accident at the time of
27 the accident. The transportation network company driver shall also notify
28 the transportation network company of the accident.

29 G. In a claims coverage investigation, transportation network
30 companies and any insurer providing coverage as prescribed in this section
31 shall fully cooperate in the exchange of information, including the
32 precise times that a transportation network company driver logged on and
33 off of the transportation network company's digital network or software
34 application in the twenty-four-hour period immediately preceding the
35 accident, and shall disclose to each other a clear description of the
36 coverage, exclusions and limits provided under any insurance policy each
37 party issued or maintained.

38 H. This section and section 28-4009 do not create an obligation for
39 an insurer that issues coverage to which section 20-1631 applies to offer,
40 provide or issue a motor vehicle liability insurance policy or an
41 endorsement or amendment that includes coverage for any liability arising
42 while a transportation network company driver is logged in to the
43 transportation network company's digital network or software application
44 to be a driver or is providing transportation network services.

1 I. An insurance policy required by this section may be placed with
2 an insurer authorized to transact insurance in this state pursuant to
3 title 20, chapter 2, article 1 or a surplus lines insurer pursuant to
4 title 20, chapter 2, article 5.

5 J. The department of insurance and financial institutions, as part
6 of its annual survey of insurance companies, may request information from
7 any property and casualty insurer authorized to write private passenger
8 motor vehicle coverage in this state, including information regarding:

9 1. Whether the insurer offers for purchase a policy or an
10 endorsement or amendment that covers transportation network company
11 drivers while the driver is logged in to a transportation network
12 company's digital network or software application to be a driver or is
13 providing transportation network services.

14 2. The number of those policies, endorsements or amendments that
15 have been purchased during the reporting period.

16 3. The number of those policies, endorsements or amendments that
17 have been canceled during the reporting period.