

REFERENCE TITLE: insurance coverage requirements; transportation companies

State of Arizona  
Senate  
Fifty-sixth Legislature  
Second Regular Session  
2024

## **SB 1272**

Introduced by  
Senator Mesnard

AN ACT

AMENDING SECTIONS 28-4038 AND 28-4039, 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. PRIMARY commercial uninsured motorist coverage in a minimum  
40 amount of ~~\$250,000~~ \$25,000 PER PERSON AND \$50,000 per incident.

41 C. Unless an insurance policy expressly provides coverage or  
42 contains an amendment or endorsement that expressly provides coverage, the  
43 transportation network company driver's insurance policy and the motor  
44 vehicle owner's personal motor vehicle insurance policy shall not be  
45 required to provide coverage for the transportation network company

1 vehicle, the transportation network company driver, the motor vehicle  
2 owner or any third party while a transportation network company driver is  
3 logged in to a transportation network company's digital network or  
4 software application to be a driver or is providing transportation network  
5 services.

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

11 1. A motor vehicle liability insurance policy expressly providing  
12 such coverage.

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

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

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

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

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

43 I. An insurance policy required by this section may be placed with  
44 an insurer authorized to transact insurance in this state pursuant to

1 title 20, chapter 2, article 1 or a surplus lines insurer pursuant to  
2 title 20, chapter 2, article 5.

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

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

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

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

16 Sec. 2. Section 28-4039, Arizona Revised Statutes, is amended to  
17 read:

18 28-4039. Taxi, livery vehicle or limousine: financial  
19 responsibility

20 A. Motor vehicle liability insurance for a taxi, livery vehicle or  
21 limousine may be maintained as follows:

22 1. During the time in which the taxi, livery vehicle or limousine  
23 driver is available to provide passenger transportation, but has not  
24 accepted a ride request and is not in the act of providing passenger  
25 transportation, primary commercial motor vehicle liability insurance  
26 coverage in the amount of ~~twenty-five thousand dollars~~ \$25,000 because of  
27 bodily injury to or death of any one person in any one accident, subject  
28 to the limit for one person, ~~fifty thousand dollars~~ \$50,000 because of  
29 bodily injury to or death of two or more persons in any one accident and  
30 ~~twenty thousand dollars~~ \$20,000 because of injury to or destruction of  
31 property of others in any one accident. This policy may be maintained by  
32 either the driver or the company.

33 2. After the taxi, livery vehicle or limousine driver has accepted  
34 a ride request through any communication and during the time in which the  
35 taxi, livery vehicle or limousine driver is providing passenger  
36 transportation, the taxi, livery vehicle or limousine driver or the taxi,  
37 livery vehicle or limousine company shall maintain the following insurance  
38 coverage:

39 (a) Primary commercial motor vehicle liability insurance in a  
40 minimum amount of ~~two hundred fifty thousand dollars~~ \$250,000 per  
41 incident.

42 (b) PRIMARY commercial uninsured motorist coverage in a minimum  
43 amount of ~~two hundred fifty thousand dollars~~ \$25,000 PER PERSON AND  
44 \$50,000 per incident.

1           B. A taxi, livery vehicle or limousine driver shall carry proof of  
2 insurance in the vehicle at all times while providing transportation  
3 services. If an accident occurs involving a taxi, livery vehicle or  
4 limousine, the taxi, livery vehicle or limousine driver shall provide  
5 proof of insurance to the parties involved in the accident at the time of  
6 the accident. The taxi, livery vehicle or limousine driver shall also  
7 notify the taxi, livery vehicle or limousine company of the accident.

8           C. In a claims coverage investigation, a taxi, livery vehicle or  
9 limousine company and any insurer providing coverage as prescribed in this  
10 section shall fully cooperate in the exchange of information and shall  
11 disclose to each other a clear description of the coverage, exclusions and  
12 limits provided under any insurance policy that each party issued or  
13 maintained.