A BILL FOR AN ACT

CONCERNING A REQUIREMENT THAT TRANSPORTATION NETWORK COMPANIES PROVIDE INSURANCE TO PROTECT INDIVIDUALS FROM DAMAGES CAUSED BY UNINSURED MOTORISTS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

Current law requires a transportation network company or its drivers to secure primary liability insurance coverage for the drivers for incidents involving the drivers during prearranged rides and for periods when a driver is logged into a transportation network company's digital network but not engaged in a prearranged ride. Section 1 of the bill
requires a transportation network company or its drivers to also secure insurance protection for drivers and for their riders against damages caused by uninsured motorists.

Current law requires automobile liability and motor vehicle liability policies to provide coverage for damages caused by uninsured motorists; except that the named insured may reject such coverage in writing. Section 2 provides that a named insured may not reject such coverage if the named insured is:

- A transportation network company; or
- A transportation network company driver for whom the transportation network company has not secured such coverage.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 40-10.1-604, amend (3)(b) introductory portion, (3)(b)(II), (4) introductory portion, (7), and (9); repeal (3)(c); and add (2.5) as follows:

40-10.1-604. Registration - financial responsibility of transportation network companies - primary liability insurance - insurance protection against uninsured motorists. (2.5) On and after the effective date of this subsection (2.5), for each transportation network company driver, the driver's transportation network company shall file with the Commission, in a manner prescribed by the Commission, documentation evidencing that the transportation network company or the driver has secured insurance coverage against damage caused by uninsured motorists, as described in Section 10-4-609, for the driver and for each transportation network company rider in the driver's personal vehicle for incidents involving the driver during a prearranged ride. Such coverage must be in the amount of at least one million dollars per occurrence. The insurance policy must provide coverage to drivers and riders at all times.
THE DRIVER IS ENGAGED IN A PREARRANGED RIDE.

(3) For the period of time when a driver is logged into a transportation network company's digital network but is not engaged in a prearranged ride, the following insurance requirements apply:

(b) On or before January 15, 2015, and thereafter, A driver or a transportation network company on the driver's behalf shall maintain a primary automobile insurance policy that includes primary liability insurance coverage and primary insurance coverage against damages caused by uninsured motorists and that:

(II) For both primary liability insurance coverage and primary insurance coverage against damages caused by uninsured motorists, meets at least the minimum coverage of at least fifty thousand dollars to for any one person in any one accident, one hundred thousand dollars to for all persons in any one accident, and for property damage arising out of the use of the motor vehicle to a limit, exclusive of interest and costs, of thirty thousand dollars in any one accident; and

(c) The division of insurance shall conduct a study of whether the levels of coverage provided for in this subsection (3) are appropriate for the risk involved with transportation network company services. In conducting the study, the division of insurance shall convene one or more stakeholder meetings to evaluate the choices of coverage set forth in subparagraph (III) of paragraph (b) of this subsection (3). On or before January 15, 2015, the division of insurance shall present its findings and any recommendations to the business, labor, economic and workforce development committee in the house of representatives, the business;
labor, and technology committee in the senate, the transportation and energy committee in the house of representatives, and the transportation committee in the senate.

(4) A driver's personal automobile insurance policy that complies with part 6 of article 4 of title 10 C.R.S. is sufficient to satisfy the compulsory insurance requirements thereof. An insurance policy required by subsection (2), (2.5), or subsection (3) of this section:

(7) In a claims coverage investigation, a transportation network company shall cooperate with an insurer that also insures the driver's transportation network company vehicle, including the provision of relevant dates and times during which an incident occurred that involved the driver while the driver was logged into a transportation network company's digital network.

(9) If a transportation network company's insurer makes a payment for a claim covered under comprehensive coverage, or collision coverage, or coverage against damage caused by uninsured motorists, the transportation network company shall cause its insurer to issue the payment directly to the business repairing the vehicle or jointly to the owner of the vehicle and the primary lienholder on the covered vehicle. The commission shall not assess any fines as a result of a violation of this subsection (9).

SECTION 2. In Colorado Revised Statutes, 10-4-609, amend (1)(a) as follows:

10-4-609. Insurance protection against uninsured motorists - applicability. (1) (a) (I) Except as described in subsection (1)(a)(II) of this section, an automobile liability or motor vehicle liability policy insuring against loss resulting from liability imposed by
law for bodily injury or death suffered by any person arising out of the
ownership, maintenance, or use of a motor vehicle, shall be WHICH
POLICY IS delivered or issued for delivery in this state with respect to any
motor vehicle licensed for highway use in this state, unless MUST PROVIDE
coverage is provided therein or supplemental thereto COVERAGE, in limits
for bodily injury or death set forth in section 42-7-103 (2), C.R.S., under
provisions approved by the commissioner, for the protection of persons
insured thereunder UNDER THE POLICY who are legally entitled to recover
damages from owners or operators of uninsured motor vehicles because
of bodily injury, sickness, or disease, including death, resulting therefrom;
except that the named insured may reject such coverage in writing FROM
A MOTOR VEHICLE ACCIDENT.

(II) SUBSECTION (1)(a)(I) OF THIS SECTION DOES NOT APPLY IF THE
NAMED INSURED REJECTS THE COVERAGE DESCRIBED IN SUBSECTION
(1)(a)(I) IN WRITING; EXCEPT THAT:

(A) IF THE NAMED INSURED IS A TRANSPORTATION NETWORK
COMPANY, AS DEFINED IN SECTION 40-10.1-602 (3), SECURING COVERAGE
FOR A TRANSPORTATION NETWORK COMPANY DRIVER, AS DEFINED IN
SECTION 40-10.1-602 (4), TO PROTECT AGAINST DAMAGES CAUSED BY
UNINSURED MOTORISTS, AS DESCRIBED IN SECTION 40-10.1-604 (2.5) AND
(3), THE NAMED INSURED MAY NOT REJECT THE COVERAGE FOR PERIODS
WHEN THE TRANSPORTATION NETWORK COMPANY DRIVER IS ENGAGED IN
A RIDE OR LOGGED INTO THE TRANSPORTATION NETWORK COMPANY’S
DIGITAL NETWORK BUT NOT ENGAGED IN A PREARRANGED RIDE; AND

(B) IF THE NAMED INSURED IS A TRANSPORTATION NETWORK
COMPANY DRIVER, AS DEFINED IN SECTION 40-10.1-602 (4), FOR WHOM A
TRANSPORTATION NETWORK COMPANY HAS NOT SECURED COVERAGE TO
PROTECT AGAINST DAMAGES CAUSED BY UNINSURED MOTORISTS, AS DESCRIBED IN SECTION 40-10.1-604 (2.5) AND (3), THE NAMED INSURED MAY NOT REJECT THE COVERAGE FOR PERIODS WHEN THE NAMED INSURED IS ENGAGED IN A RIDE OR LOGGED INTO THE TRANSPORTATION NETWORK COMPANY’S DIGITAL NETWORK BUT NOT ENGAGED IN A PREARRANGED RIDE.

SECTION 3. Act subject to petition - effective date - applicability. (1) This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) This act applies to behavior occurring on or after the applicable effective date of this act.