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**LEGISLATORS APPROVE MODEL LAW TO REGULATE
CONTROVERSIAL TRANSPORTATION NETWORK COMPANIES (TNCs)**

Indianapolis, Indiana, July 19, 2015 — Legislators at their Indianapolis Summer Meeting adopted critical guidance for regulating transportation network companies (TNCs) like Uber and Lyft—imposing rules related to coverage requirements, financial responsibility, licensing, disclosure, and other concerns. The *Model Act to Regulate Insurance Requirements for Transportation Network Companies and Transportation Network Drivers* reflects a recent Uber/insurer compromise circulating in states.

Rep. Michael Stinziano (OH), sponsor of the model, said the model addresses core issues confronting policymakers around the country. “The NCOIL language,” he stressed, “will help states overcome the divisiveness that has made it difficult to pass legislation—allowing TNCs to continue offering consumers a product they enjoy while updating state laws to regulate the unique TNC market to eliminate gaps that may disadvantage TNC drivers and riders.”

According to Rep. Matt Lehman (IN), chair of the Property-Casualty Insurance Committee, “With more than half the states having enacted TNC laws, it was important that NCOIL weigh in now, when a significant number of legislatures remain undecided on a TNC regulatory approach. The NCOIL model and Uber-insurer compromise can take the debate in a new and possibly more effective direction.”

The adopted model was the result of significant Committee discussion on July 18, when legislators and representatives of Uber and property-casualty insurers, among other parties, debated issues ranging from the credit ratings of surplus lines insurers writing TNC coverage to whether TNC drivers are independent contractors or TNC employees.

The NCOIL model is similar to a new Indiana law that incorporates Uber-insurer compromise language. The NCOIL model requires primary auto liability insurance purchased by the TNC driver and/or by the TNC to cover (1) the period in which the TNC driver is logged into the TNC’s online system and is available to receive a transportation request and (2) the period during which the TNC driver is transporting a rider. Under the model, auto insurers could exclude personal-lines coverage for losses that take place during those periods.

The model requires certain disclosures to TNC drivers, requires a TNC to have a permit from the state before it can operate there, establishes rules regarding who could serve as a TNC driver, and among other things specifies that a TNC may meet its insurance requirements by purchasing coverage through an insurer that’s highly rated by A.M. Best, Demotech, or a rating agency that’s recognized by the department of insurance.

As per discussion on July 18, the Committee added a drafting note that encourages a state to consider appropriate lienholder language in order to coordinate with the state's existing law.

P-C Committee discussion began on July 18 and continued during a special July 19 Committee meeting. The NCOIL Executive Committee adopted the TNC model act later that day.

NCOIL exploration of TNC issues began in mid-2014 and has included input from the American Insurance Association (AIA); California Department of Insurance; National Association of Insurance Commissioners (NAIC); National Association of Mutual Insurance Companies (NAMIC); Property Casualty Insurers Association of America (PCI); Taxi, Limousine and Paratransit Association (TLPA); and Uber.

The NCOIL Summer Meeting took place in Indianapolis from July 16 to 19.

NCOIL is an organization of state legislators whose main area of public policy interest is insurance legislation and regulation. Most legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country. More information is available at www.ncoil.org.

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