

SENATE BILL 701

C5, R7

(9lr1385)

ENROLLED BILL

— Finance/Economic Matters —

Introduced by **Senator Kramer**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Transportation Network Companies – Insurance**

3 FOR the purpose of authorizing the Motor Vehicle Administration to accept, under certain
4 circumstances, certain forms of security from a transportation network company in
5 place of a certain insurance policy; requiring transportation network companies to
6 provide evidence of certain security to the Public Service Commission under certain
7 circumstances; defining certain terms; making ~~a~~ conforming ~~change~~ changes; and
8 generally relating to insurance for transportation network companies.

9 BY repealing and reenacting, with amendments,

10 Article – Public Utilities

11 Section ~~10-405(e)~~ 10-405(a), (b), (c), (d), and (e)

12 Annotated Code of Maryland

13 (2010 Replacement Volume and 2018 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 BY repealing and reenacting, with amendments,
2 Article – Transportation
3 Section 17–103
4 Annotated Code of Maryland
5 (2012 Replacement Volume and 2018 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
7 That the Laws of Maryland read as follows:

8 **Article – Public Utilities**

9 10–405.

10 (a) (1) An operator, a transportation network company on behalf of the
11 operator, or a combination of both shall maintain primary motor vehicle insurance, OR
12 OTHER SECURITY UNDER § 17–103(A)(3) OF THE TRANSPORTATION ARTICLE, that:

13 (i) recognizes that the operator is a transportation network operator
14 or otherwise uses a motor vehicle to transport passengers for hire; and

15 (ii) covers the operator while the operator is providing
16 transportation network services.

17 (2) (i) The following motor vehicle insurance requirements shall apply
18 while an operator is providing transportation network services:

19 1. security of at least:

20 A. for the payment of claims for bodily injury or death arising
21 from an accident, up to \$50,000 for any one person and up to \$100,000 for any two or more
22 persons, in addition to interest and costs; and

23 B. for the payment of claims for property of others damaged
24 or destroyed in an accident, up to \$25,000, in addition to interest and costs;

25 2. uninsured motorist insurance coverage required under §
26 19–509 of the Insurance Article; and

27 3. personal injury protection coverage required under §
28 19–505 of the Insurance Article; and

29 (ii) The coverage requirements under this paragraph may be
30 satisfied by motor vehicle insurance maintained by:

31 1. an operator;

32 2. a transportation network company; or

1 3. both an operator and a transportation network company.

2 (b) If insurance OR OTHER SECURITY is provided by both the transportation
3 network company and the operator under subsection (a) of this section, the insurance
4 maintained by the transportation network operator is primary.

5 (c) The insurance OR OTHER SECURITY maintained by a transportation network
6 company shall provide the coverage required under subsection (a) of this section from the
7 first dollar of a claim and provide for the duty to defend the claim in the event the insurance
8 maintained by an operator under subsection (a) of this section has coverage that has been
9 canceled or has lapsed or is otherwise not in force.

10 (d) (1) A transportation network company THAT PROCURES INSURANCE
11 FROM AN ADMITTED INSURER OR A NONADMITTED INSURER shall:

12 (i) verify that the coverage required under subsection (a) of this
13 section is maintained at all times; and

14 (ii) provide to the Commission and the Insurance Commissioner,
15 annually upon each renewal:

16 1. a valid certificate of insurance coverage that meets the
17 requirements of subsection (a) of this section and that:

18 A. is prepared by the insurer;

19 B. is signed by an officer of the insurer;

20 C. is in a form acceptable to the Commission;

21 D. states the name and home office address of the insurer
22 providing coverage to the transportation network company;

23 E. states the effective dates of the coverage;

24 F. states a general description of the coverage; and

25 G. includes a certification of a policy provision that will notify
26 the Commission and the Insurance Commissioner of any termination of coverage at least
27 60 days in advance of the effective date of the termination; and

28 2. the underlying policy for the coverage required under
29 subsection (a) of this section.

1 (2) (i) The Commission may consult with the Insurance Commissioner
 2 concerning the provisions of the underlying policy provided to the Commission and the
 3 Insurance Commissioner under paragraph (1)(ii)2 of this subsection.

4 (ii) 1. Records provided to the Commission by a transportation
 5 network company under this section are not subject to release under the Maryland Public
 6 Information Act or any other law.

7 2. The Commission and the Insurance Commissioner may
 8 not disclose records or information provided to the Commission and the Insurance
 9 Commissioner under this section to any person unless the disclosure is required by
 10 subpoena or court order.

11 3. If a subpoena or court order requires the Commission or
 12 the Insurance Commissioner to disclose information provided to the Commission or the
 13 Insurance Commissioner under this section, the Commission or the Insurance
 14 Commissioner, as appropriate, promptly shall notify the transportation network company
 15 before disclosing the information.

16 **(3) A TRANSPORTATION NETWORK COMPANY THAT MAINTAINS**
 17 **SECURITY UNDER § 17-103 OF THE TRANSPORTATION ARTICLE SHALL PROVIDE**
 18 **THE COMMISSION WITH EVIDENCE OF THE REQUIRED SECURITY.**

19 (e) [Insurance] **SUBJECT TO § 17-103(A) OF THE TRANSPORTATION**
 20 **ARTICLE, INSURANCE** required under subsection (a) of this section shall be issued by:

21 (1) an insurer authorized to do business in the State; or

22 (2) solely with respect to insurance maintained by a transportation
 23 network company, an eligible surplus lines insurer:

24 (i) in accordance with the requirements of Title 3, Subtitle 3 of the
 25 Insurance Article; and

26 (ii) having an A.M. Best financial strength rating of A- or better.

27 **Article – Transportation**

28 17-103.

29 (a) (1) Except as provided in paragraph (2) **OR (3)** of this subsection, the form
 30 of security required under this subtitle is a vehicle liability insurance policy written by an
 31 insurer authorized to write these policies in this State.

1 (2) The Administration may accept another form of security in place of a
2 vehicle liability insurance policy if it finds that the other form of security adequately
3 provides the benefits required by subsection (b) of this section.

4 **(3) (I) 1. IN THIS PARAGRAPH THE FOLLOWING WORDS HAVE**
5 **THE MEANINGS INDICATED.**

6 **2. “AFFILIATE” MEANS ANY COMPANY THAT CONTROLS,**
7 **IS CONTROLLED BY, OR IS UNDER COMMON CONTROL WITH ANOTHER COMPANY.**

8 **3. “PROVIDE TAXICAB SERVICES”, “TRANSPORTATION**
9 **NETWORK COMPANY”, AND “TRANSPORTATION NETWORK OPERATOR” HAVE THE**
10 **MEANINGS STATED IN § 10–101 OF THE PUBLIC UTILITIES ARTICLE.**

11 **(II) THE ADMINISTRATION MAY ACCEPT ANOTHER FORM OF**
12 **SECURITY FROM A TRANSPORTATION NETWORK COMPANY IN PLACE OF AN**
13 **INSURANCE POLICY REQUIRED BY § 10–405 OF THE PUBLIC UTILITIES ARTICLE IF:**

14 **1. THE OTHER FORM OF SECURITY ADEQUATELY**
15 **PROVIDES THE BENEFITS REQUIRED BY § 10–405 OF THE PUBLIC UTILITIES**
16 **ARTICLE; AND**

17 **2. THE TRANSPORTATION NETWORK COMPANY IS AN**
18 **AFFILIATE OF A COMPANY THAT PROVIDES TAXICAB SERVICES AND HAS NO FEWER**
19 **THAN 26 NOR MORE THAN 300 TRANSPORTATION NETWORK OPERATORS.**

20 **[(3)] (4) The Administration shall, by regulation, assess each self-insurer**
21 **an annual sum which may not exceed \$750, and which shall be used for actuarial studies**
22 **and audits to determine financial solvency.**

23 (b) The security required under this subtitle shall provide for at least:

24 (1) The payment of claims for bodily injury or death arising from an
25 accident of up to \$30,000 for any one person and up to \$60,000 for any two or more persons,
26 in addition to interest and costs;

27 (2) The payment of claims for property of others damaged or destroyed in
28 an accident of up to \$15,000, in addition to interest and costs;

29 (3) Unless waived under § 19–506 of the Insurance Article or rejected
30 under § 19–506.1 of the Insurance Article, the benefits described under § 19–505 of the
31 Insurance Article as to basic required primary coverage;

32 (4) The benefits required under § 19–509 or § 19–509.1 of the Insurance
33 Article as to required additional coverage; and

1 (5) For vehicles subject to the provisions of § 25–111.1 of this article, the
2 security requirements adopted under 49 C.F.R., Part 387.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 ~~October~~ June 1, 2019.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.