

## Chapter 226

**(House Bill 1072)**

AN ACT concerning

**Transportation Network Companies – Insurance**

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

BY repealing and reenacting, with amendments,

Article – Public Utilities

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

Annotated Code of Maryland

(2010 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,

Article – Transportation

Section 17-103

Annotated Code of Maryland

(2012 Replacement Volume and 2018 Supplement)

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

**Article – Public Utilities**

10-405.

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

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

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

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

1. security of at least:

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

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

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

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

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

1. an operator;

2. a transportation network company; or

3. both an operator and a transportation network company.

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

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

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

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

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

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

- A. is prepared by the insurer;
  - B. is signed by an officer of the insurer;
  - C. is in a form acceptable to the Commission;
  - D. states the name and home office address of the insurer providing coverage to the transportation network company;
  - E. states the effective dates of the coverage;
  - F. states a general description of the coverage; and
  - G. includes a certification of a policy provision that will notify the Commission and the Insurance Commissioner of any termination of coverage at least 60 days in advance of the effective date of the termination; and
2. the underlying policy for the coverage required under subsection (a) of this section.

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

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

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

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

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

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

- (1) an insurer authorized to do business in the State; or
- (2) solely with respect to insurance maintained by a transportation network company, an eligible surplus lines insurer:
  - (i) in accordance with the requirements of Title 3, Subtitle 3 of the Insurance Article; and
  - (ii) having an A.M. Best financial strength rating of A– or better.

### **Article – Transportation**

17–103.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Approved by the Governor, April 30, 2019.**