
HOUSE BILL 2018

State of Washington

64th Legislature

2015 Regular Session

By Representatives Kirby, Stanford, and McBride

Read first time 02/06/15. Referred to Committee on Business & Financial Services.

1 AN ACT Relating to insurance covering for hire operators using
2 personal vehicles; amending RCW 46.72.010; and adding a new section
3 to chapter 46.72 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 46.72.010 and 1996 c 87 s 18 are each amended to
6 read as follows:

7 When used in this chapter:

8 (1) (~~The term~~) "Department" means the department of licensing.

9 (2) "For hire vehicle" includes all vehicles used for the
10 transportation of passengers for compensation, except auto stages,
11 school buses operating exclusively under a contract to a school
12 district, ride-sharing vehicles under chapter 46.74 RCW, limousine
13 carriers licensed under chapter 46.72A RCW, vehicles used by
14 nonprofit transportation providers for elderly or (~~handicapped~~)
15 persons with disabilities and their attendants under chapter 81.66
16 RCW, vehicles used by auto transportation companies licensed under
17 chapter 81.68 RCW, vehicles used to provide courtesy transportation
18 at no charge to and from parking lots, hotels, and rental offices,
19 and vehicles used by charter party carriers of passengers and
20 excursion service carriers licensed under chapter 81.70 RCW(~~(+)~~).

1 (~~(2) The term~~) (3) "For hire operator" means and includes any
2 person, concern, or entity engaged in the transportation of
3 passengers for compensation in for hire vehicles.

4 (4) "Personal vehicle" means a vehicle that is used by a driver
5 in connection with providing for hire services.

6 (5) "Prearranged ride" means a route of travel that begins when a
7 driver accepts a requested ride through a digital network or software
8 application, continues while the driver transports the passenger in a
9 personal vehicle, and ends when the passenger departs from the
10 personal vehicle.

11 (6) "Passenger" means an individual in a personal vehicle for
12 whom transport is provided, including an individual who uses a for
13 hire operator digital network or software application to connect with
14 a driver to obtain services.

15 NEW SECTION. Sec. 2. A new section is added to chapter 46.72
16 RCW to read as follows:

17 (1)(a) Before being used as a for hire vehicle, every personal
18 vehicle must be covered by a primary automobile insurance policy.
19 Except as provided in subsection (2) of this section, a for hire
20 operator must secure this policy for every personal vehicle used to
21 provide transportation services. For purposes of this section, a
22 "primary automobile insurance policy" is not a private passenger
23 automobile insurance policy.

24 (b) The insurance policy required under this section must:

25 (i) Provide liability coverage, applicable during the period
26 before a driver accepts a requested ride through a digital network or
27 software application, in an amount no less than that required under
28 RCW 46.72.050, provide comprehensive and collision coverage, and
29 provide underinsured motorist and personal injury protection coverage
30 of one hundred thousand dollars per person and three hundred thousand
31 dollars per accident;

32 (ii) Provide liability coverage, applicable during the period
33 after a driver accepts a requested ride through a digital network or
34 software application, in an amount no less than one hundred thousand
35 dollars per person and one million dollars per accident, provide
36 comprehensive and collision coverage, and provide underinsured
37 motorist and personal injury protection coverage of one hundred
38 thousand dollars per person and one million dollars per accident; and

1 (iii) Provide coverage at all times the driver is logged in to a
2 for hire operator's digital network or software application and at
3 all times a passenger is in the personal vehicle.

4 (2)(a) As an alternative to subsection (1) of this section, if
5 the office of the insurance commissioner approves the offering of an
6 insurance policy that recognizes that a person is acting as a driver
7 for a for hire operator and using a personal vehicle to provide
8 transportation services, a driver may secure a primary automobile
9 insurance policy covering a personal vehicle and providing the same
10 coverage as required in subsection (1) of this section.

11 (b) If a driver secures a primary automobile insurance policy
12 covering a personal vehicle, the for hire operator must maintain an
13 excess insurance policy covering that personal vehicle providing the
14 same coverage as required in subsection (1) of this section.

15 (c) If the primary automobile insurance policy purchased by a
16 driver pursuant to this section does not provide coverage for any
17 reason, including that the policy lapsed or did not exist, the for
18 hire operator's policy required under (b) of this subsection must
19 provide the coverage required under this section beginning with the
20 first dollar of a claim.

21 (3) The insurer providing coverage under subsections (1) and (2)
22 of this section is the only insurer having the duty to defend any
23 liability claim from an accident occurring while for hire services
24 are being provided.

25 (4) In addition to the requirements in subsections (1) and (2) of
26 this section, before allowing a person to provide services for a for
27 hire operator, a for hire operator must verify that he or she is
28 complying with the requirements of RCW 46.30.020.

29 (5)(a) If a for hire operator purchases a primary automobile
30 insurance policy under subsection (1) of this section, it must
31 provide proof of the policy to the department.

32 (b) Alternatively, if a driver purchases a primary automobile
33 insurance policy as allowed under subsection (2) of this section, the
34 for hire operator must verify that the driver has done so.
35 Additionally, the for hire operator must provide proof to the
36 department of the excess insurance policy required under subsection
37 (2)(b) of this section.

38 (c) Upon request from the department, drivers and for hire
39 operators must provide copies of the policies required under this
40 section to the department.

1 (6) A primary automobile insurance policy required under
2 subsection (1) or (2) of this section may be placed with an insurer
3 licensed under Title 48 RCW to provide insurance in the state of
4 Washington or as an eligible surplus line insurance policy as
5 described in RCW 48.15.040.

6 (7) This section does not require a private passenger automobile
7 insurance policy to provide coverage or a duty to defend for the
8 period of time in which a driver is logged in to a for hire
9 operator's digital network or software application.

10 (8) If more than one insurance policy provides valid and
11 collectible coverage for a loss arising out of an occurrence
12 involving a motor vehicle operated by a driver, the responsibility
13 for the claim must be divided as follows:

14 (a) If the driver has been matched with a passenger and is
15 traveling to pick up the passenger, or the driver is providing
16 services to a passenger, the for hire operator that matched the
17 driver and passenger must provide insurance coverage; or

18 (b) If the driver is logged in to more than one for hire operator
19 digital network or software application but has not been matched with
20 a passenger, the liability must be divided equally among all of the
21 applicable insurance policies.

22 (9) In a claims coverage investigation, a for hire operator must
23 cooperate with a private passenger automobile insurance policy
24 insurer that also insures the driver's vehicle, including the
25 provision of relevant dates and times during which an incident
26 occurred that involved the driver while the driver was logged in to a
27 for hire operator digital network or software application.

28 (10) If a for hire operator's insurer makes a payment for a claim
29 covered under comprehensive coverage or collision coverage, the for
30 hire operator must, to the extent possible, direct the insurer to
31 issue the payment directly to the business repairing the vehicle or
32 jointly to the owner of the vehicle and the primary lienholder on the
33 covered vehicle.

34 (11) After July 1, 2016, an insurance company regulated under
35 Title 48 RCW may not deny an otherwise covered claim arising
36 exclusively out of the personal use of the private passenger
37 automobile solely on the basis that the insured, at other times, used
38 the private passenger automobile covered by the policy to provide for
39 hire services.

1 (12) The office of the insurance commissioner must track data
2 regarding the levels of coverage provided in subsection (1) of this
3 section. Beginning January 1, 2016, and annually thereafter, the
4 office of the insurance commissioner must provide its findings to the
5 committees of the legislature addressing business and financial
6 institutions.

7 (13)(a) A for hire operator must make the following disclosures
8 to a prospective driver in the prospective driver's terms of service:

9 WHILE ON THE FOR HIRE OPERATOR'S DIGITAL NETWORK OR SOFTWARE
10 APPLICATION, YOUR PRIVATE PASSENGER AUTOMOBILE INSURANCE POLICY MIGHT
11 NOT AFFORD LIABILITY, UNDERINSURED MOTORIST, PERSONAL INJURY
12 PROTECTION, COMPREHENSIVE, OR COLLISION COVERAGE, DEPENDING ON THE
13 TERMS OF THE POLICY.

14 IF THE VEHICLE THAT YOU PLAN TO USE TO PROVIDE TRANSPORTATION
15 SERVICES HAS A LIEN AGAINST IT, YOU MUST NOTIFY THE LIENHOLDER THAT
16 YOU WILL BE USING THE VEHICLE FOR TRANSPORTATION THAT MAY VIOLATE THE
17 TERMS OF YOUR CONTRACT WITH THE LIENHOLDER.

18 (b) The prospective driver must acknowledge the terms of service
19 electronically or by signature.

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