
ENGROSSED SUBSTITUTE HOUSE BILL 2131

State of Washington

64th Legislature

2015 Regular Session

By House Business & Financial Services (originally sponsored by Representative Kirby)

READ FIRST TIME 02/20/15.

1 AN ACT Relating to insurance for providers of commercial
2 transportation services; and adding a new chapter to Title 48 RCW.

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

4 NEW SECTION. **Sec. 1.** This act may be known and cited as the
5 insurance for providers of commercial transportation services act.

6 NEW SECTION. **Sec. 2.** The definitions in this section apply
7 throughout this chapter unless the context clearly requires
8 otherwise.

9 (1) "Commercial transportation services" or "services" means all
10 times the driver is logged in to a commercial transportation services
11 provider's digital network or software application or until the
12 passenger has left the personal vehicle, whichever is later.

13 (2) "Commercial transportation services provider" means a
14 corporation, partnership, sole proprietorship, or other entity,
15 operating in Washington, that uses a digital network or software
16 application to connect passengers to drivers for the purpose of
17 providing a prearranged ride.

18 (3) "Driver" means an individual who uses a personal vehicle to
19 provide services for passengers matched through a commercial
20 transportation services provider's digital network or software

1 application. A driver need not be an employee of a commercial
2 transportation services provider.

3 (4) "Passenger" means a passenger in a personal vehicle for whom
4 transport is provided, including:

5 (a) An individual who uses a commercial transportation services
6 provider's digital network or software application to connect with a
7 driver to obtain services in the driver's vehicle for the individual
8 and anyone in the individual's party; or

9 (b) Anyone for whom another individual uses a commercial
10 transportation services provider's digital network or software
11 application to connect with a driver to obtain services in the
12 driver's vehicle.

13 (5) "Personal vehicle" means a vehicle that is used by a driver
14 in connection with providing services for a commercial transportation
15 services provider.

16 (6) "Prearranged ride" means a route of travel between points
17 chosen by the passenger and arranged with a driver through the use of
18 a commercial transportation services provider's digital network or
19 software application. The ride begins when a driver accepts a
20 requested ride through a digital network or software application,
21 continues while the driver transports the passenger in a personal
22 vehicle, and ends when the passenger departs from the personal
23 vehicle.

24 NEW SECTION. **Sec. 3.** (1)(a) Before being used to provide
25 commercial transportation services, every personal vehicle must be
26 covered by a primary automobile insurance policy that specifically
27 covers commercial transportation services. Except as provided in
28 subsection (2) of this section, a commercial transportation services
29 provider must secure this policy for every personal vehicle used to
30 provide commercial transportation services. For purposes of this
31 section, a "primary automobile insurance policy" is not a private
32 passenger automobile insurance policy.

33 (b)(i) The primary automobile insurance policy required under
34 this section must provide coverage, as specified in this subsection
35 (1)(b), at all times the driver is logged in to a commercial
36 transportation provider's digital network or software application and
37 at all times a passenger is in the vehicle as part of a prearranged
38 ride, as follows:

1 (A) Liability coverage, while providing commercial transportation
2 services applicable during the period before a driver accepts a
3 requested ride through a digital network or software application, in
4 an amount no less than fifty thousand dollars per person for bodily
5 injury, one hundred thousand dollars per accident for bodily injury
6 of all persons, and thirty thousand dollars for damage to property;

7 (B) Uninsured motorist coverage and underinsured motorist
8 coverage in the amount of no less than fifty thousand dollars per
9 person for bodily injury and one hundred thousand dollars per
10 accident for bodily injury of all persons;

11 (C) Personal injury protection coverage pursuant to RCW
12 48.22.095; and

13 (D) Comprehensive and collision coverage with a maximum
14 deductible of five hundred dollars.

15 (ii) The primary automobile insurance policy required under this
16 subsection must provide the following coverages, applicable during
17 the period of a prearranged ride:

18 (A) Combined single limit liability coverage in the amount of one
19 million dollars for death, personal injury, and property damage;

20 (B) Uninsured motorist coverage and underinsured motorist
21 coverage in the amount of one million dollars;

22 (C) Personal injury protection coverage pursuant to RCW
23 48.22.095; and

24 (D) Comprehensive and collision coverage with a maximum
25 deductible of five hundred dollars.

26 (2)(a) As an alternative to the provisions of subsection (1) of
27 this section, if the office of the insurance commissioner approves
28 the offering of an insurance policy that recognizes that a person is
29 acting as a provider of commercial transportation services and using
30 a personal vehicle to provide commercial transportation services, a
31 driver may secure a primary automobile insurance policy covering a
32 personal vehicle and providing the same coverage as required in
33 subsection (1) of this section. The policy coverage may be in the
34 form of a rider to, or endorsement of, the driver's private passenger
35 automobile insurance policy only if approved as such by the office of
36 the insurance commissioner.

37 (b) If the primary automobile insurance policy maintained by a
38 driver to meet the obligation of this section does not provide
39 coverage for any reason, including that the policy lapsed or did not
40 exist, the commercial transportation services provider must provide

1 the coverage required under this section beginning with the first
2 dollar of a claim.

3 (c) The primary automobile insurance policy required under this
4 subsection and subsection (1) of this section may be secured by any
5 of the following:

6 (i) The commercial transportation services provider as provided
7 in subsection (1) of this section;

8 (ii) The driver as provided under (a) of this subsection; or

9 (iii) A combination of both the commercial transportation
10 services provider and the driver.

11 (3) The insurer or insurers providing coverage under subsections
12 (1) and (2) of this section are the only insurers having the duty to
13 defend any liability claim from an accident occurring while
14 commercial transportation services are being provided.

15 (4) If a driver purchases a primary automobile insurance policy
16 as allowed under subsection (2) of this section, the commercial
17 transportation services provider must verify that the driver has done
18 so.

19 (5) A primary automobile insurance policy required under
20 subsection (1) or (2) of this section may be placed with an insurer
21 licensed under this title to provide insurance in the state of
22 Washington or as an eligible surplus line insurance policy as
23 described in RCW 48.15.040.

24 (6) The insurance coverage requirements described in subsections
25 (2) and (3) of this section do not apply to drivers and entities that
26 have coverage pursuant to chapter 46.72 or 46.72A RCW.

27 (7) This section does not require a private passenger automobile
28 insurance policy to provide primary or excess coverage or a duty to
29 defend for the period of time in which a driver is logged in to a
30 commercial transportation services provider's digital network or
31 software application or while a passenger is in the vehicle.

32 (8)(a) A commercial transportation services provider must make
33 the following disclosures to a prospective driver in the prospective
34 driver's terms of service:

35 WHILE OPERATING ON THE COMMERCIAL TRANSPORTATION SERVICES
36 PROVIDER'S DIGITAL NETWORK OR SOFTWARE APPLICATION, YOUR PRIVATE
37 PASSENGER AUTOMOBILE INSURANCE POLICY MIGHT NOT AFFORD LIABILITY,
38 UNDERINSURED MOTORIST, PERSONAL INJURY PROTECTION, COMPREHENSIVE, OR
39 COLLISION COVERAGE, DEPENDING ON THE TERMS OF THE POLICY.

1 IF THE VEHICLE THAT YOU PLAN TO USE TO PROVIDE COMMERCIAL
2 TRANSPORTATION SERVICES HAS A LIEN AGAINST IT, YOU MUST NOTIFY THE
3 LIENHOLDER THAT YOU WILL BE USING THE VEHICLE FOR COMMERCIAL
4 TRANSPORTATION SERVICES THAT MAY VIOLATE THE TERMS OF YOUR CONTRACT
5 WITH THE LIENHOLDER.

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

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

12 (a) Except as provided otherwise under subsection (2)(c) of this
13 section, if the driver has been matched with a passenger and is
14 traveling to pick up the passenger, or the driver is providing
15 services to a passenger, the commercial transportation services
16 provider that matched the driver and passenger must provide insurance
17 coverage; or

18 (b) If the driver is logged in to more than one commercial
19 transportation services provider's digital network or software
20 application but has not been matched with a passenger, the liability
21 must be divided equally among all of the applicable insurance
22 policies that specifically provide coverage for commercial
23 transportation services.

24 (10) In an accident or claims coverage investigation, a
25 commercial transportation services provider or its insurer must
26 cooperate with a private passenger automobile insurance policy
27 insurer and other insurers that are involved in the claims coverage
28 investigation to facilitate the exchange of information, including
29 the provision of (a) dates and times at which an accident occurred
30 that involved a participating driver and (b) within ten business days
31 after receiving a request, a copy of the company's electronic record
32 showing the precise times that the participating driver logged on and
33 off the commercial transportation services provider's digital network
34 or software application on the day the accident or other loss
35 occurred. The commercial transportation services provider or its
36 insurer must retain all data, communications, or documents related to
37 insurance coverage or accident details for a period of not less than
38 the applicable statutes of limitation, plus two years from the date
39 of an accident to which those records pertain.

1 (11) This section does not modify or abrogate any otherwise
2 applicable insurance requirement set forth in this title.

3 (12) After July 1, 2016, an insurance company regulated under
4 this title may not deny an otherwise covered claim arising
5 exclusively out of the personal use of the private passenger
6 automobile solely on the basis that the insured, at other times, used
7 the private passenger automobile covered by the policy to provide
8 commercial transportation services.

9 NEW SECTION. **Sec. 4.** Sections 1 through 3 of this act
10 constitute a new chapter in Title 48 RCW.

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