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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- TRANSPORTATION NETWORK
COMPANY SERVICES

Introduced By: Representatives Edwards, Kennedy, Tobon, Coughlin, and Maldonado

Date Introduced: March 01, 2017

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 39-14.2-1, 39-14.2-2, 39-14.2-7, 39-14.2-9, 39-14.2-14 and 39-
2 14.2-15 of the General Laws in Chapter 39-14.2 entitled "Transportation Network Company
3 Services" are hereby amended to read as follows:

4 **39-14.2-1. Definitions.**

5 Terms in this chapter shall be construed as follows, unless another meaning is expressed
6 or is clearly apparent from the language or context:

7 (1) "Active TNC driver" means a TNC driver who has provided at least one prearranged
8 ride through the TNC in the preceding ninety (90) days.

9 (2) "Administrator" means the administrator of the division of public utilities and
10 carriers.

11 (3) "Digital network" means any online-enabled technology application service, website,
12 or system offered or utilized by a transportation network company that enables the
13 prearrangement of rider transportation with transportation network company drivers.

14 (4) "Division" means the division of public utilities and carriers.

15 (5) "Partner" or "partnering" means the act of a TNC operator agreeing to the terms and
16 conditions set forth by a TNC for access to the TNC's digital network for the purpose of being
17 connected to potential TNC riders seeking TNC services.

18 (6) "Person" means and includes any individual, partnership, corporation, or other

1 association of individuals.

2 (7) "Personal vehicle" means a vehicle that is used by a transportation network company
3 driver and is:

4 (i) Designed to hold no more than seven (7) individuals, including the driver;

5 (ii) Owned, leased, or otherwise authorized for use by the individual; and

6 (iii) Not a jitney, as defined in § 39-13-1; a taxicab or limited public motor vehicle, as
7 defined in § 39-14-1; a public motor vehicle, as defined in § 39-14.1-1; or a common carrier as
8 defined in title 39.

9 (8) "Transportation network company" or "TNC" means an entity licensed by the division
10 pursuant to this chapter that uses a digital network to connect transportation network company
11 riders to transportation network operators who provide prearranged rides. A transportation
12 network company shall not be deemed to control, direct, or manage the personal vehicles or
13 transportation network company drivers that connect to its digital network, except where agreed
14 to by written contract.

15 (9) "Transportation network company affiliation placard" or "TNC affiliation placard"
16 means a recognizable logo or decal issued by the TNC used to identify personal vehicles
17 whenever such a vehicle is available to provide, or is providing, TNC services.

18 (10) "Transportation network operator" or "TNC operator" or "TNC driver" means an
19 individual who:

20 (i) Receives connections to potential riders and related services from a transportation
21 network company in exchange for payment of a fee to the transportation network company; and

22 (ii) Uses a personal vehicle to offer or provide a prearranged ride to TNC riders upon
23 connection through a digital network controlled by a transportation network company in
24 exchange for compensation or payment of a fee.

25 (11) "Transportation network company (TNC) rider" or "rider" means an individual or
26 persons who uses a transportation network company's digital network to connect with a
27 transportation network driver who provides prearranged rides to the rider in the driver's personal
28 vehicle between points chosen by the rider.

29 (12) "Transportation network company vehicle owners" means the registered owner or
30 lessee of any personal vehicle used to offer or provide a prearranged ride to a transportation
31 network company (TNC) rider.

32 ~~(12)~~(13) "Transportation network company services" or "prearranged ride" means the
33 provision of transportation by a TNC driver to a TNC rider beginning when a TNC driver accepts
34 a TNC rider's request for a ride made only through a digital network controlled by a

1 transportation network company (TNC), continuing while the TNC driver transports the
2 requesting TNC rider(s), and ending when the last requesting TNC rider(s) departs from the
3 personal vehicle. TNC services and prearranged rides do not include transportation provided
4 using a jitney, as defined in § 39-13-1; a taxicab or limited public motor vehicle, as defined in §
5 39-14-1; a public motor vehicle, as defined in § 39-14.1-1; a common carrier as defined in title
6 39, or a regional transportation provider. TNC services and prearranged rides do not include a
7 shared-expense carpool or vanpool arrangement or service.

8 **39-14.2-2. Not other carriers.**

9 (a) TNCs or TNC drivers are not common carriers, as defined in title 39; jitneys, as
10 defined in § 39-13-1; taxicabs or limited public motor vehicles, as defined in § 39-14-1; or public
11 motor vehicles, as defined in § 39-14.1-1.

12 (b) A TNC ~~driver~~ vehicle owner shall not be required to register the vehicle such TNC
13 driver uses for prearranged rides as a commercial or for-hire vehicle.

14 **39-14.2-7. Transportation network company operators or TNC operators, TNC**
15 **drivers.**

16 (a) No individual shall provide TNC services or transport TNC riders in a personal
17 vehicle until the individual shall have first submitted to required, periodic background checks
18 conducted through the TNC in accordance with subsection (b).

19 (b) Prior to permitting an individual to accept trip requests through its digital network, a
20 TNC shall:

21 (1) Require the individual to submit an application to the TNC. The application shall
22 include the ~~individual's~~ driver's name; address; age; driver's license number; photocopy or
23 electronic copy of the driver's license; motor-vehicle registration for the personal vehicle that the
24 individual intends to use to provide prearranged rides; automobile liability insurance; and other
25 information as may be required by the TNC.

26 (2) Conduct, or have a third party accredited by the National Association of Professional
27 Background Screeners conduct, a local and national criminal background check for each
28 applicant that shall include:

29 (i) Multi-state/multi-jurisdictional criminal records locator or other similar commercial
30 nationwide database with validation (primary source search); and

31 (ii) Dru Sjodin National Sex Offender Public Website; and

32 (3) Obtain and review, or have a third party obtain and review, a driving history research
33 report for such driving applicant.

34 (c) The TNC shall certify that the required background checks verify that the applicant

1 meets the following criteria:

2 (1) Has not had more than three (3) moving violations in the prior three-year (3) period,
3 or one of the following major violations in the prior three-year (3) period:

4 (i) Attempting to evade the police;

5 (ii) Reckless driving or driving on a suspended; or

6 (iii) Revoked license;

7 (2) Has not, in the past seven (7) years, been convicted of or pleaded nolo contendere to
8 any of the following:

9 (i) Driving under the influence of drugs or alcohol;

10 (ii) Felony fraud;

11 (iii) Sexual offenses;

12 (iv) Use of a motor vehicle to commit a felony;

13 (v) Felony crimes involving property damage and/or theft; or

14 (vi) Acts of violence or felony acts of terror;

15 (3) Is not a match in the Dru Sjodin National Sex Offender Public Website;

16 (4) Possesses a valid driver's license;

17 (5) Possesses proof of registration for the motor vehicle to be used to provide prearranged
18 rides or TNC services;

19 (6) Possesses proof of automobile liability insurance, that satisfies the financial-
20 responsibility requirement for a motor vehicle under § 31-47-2(13)(i)(A), for the motor vehicle(s)
21 to be used to provide prearranged rides or TNC services; and

22 (7) Is at least nineteen (19) years of age.

23 (d) TNC operators may be affiliated with or may "partner" with more than one properly
24 permitted transportation network company to provide TNC services.

25 **39-14.2-9. Vehicles to be utilized to provide TNC services.**

26 TNC operators may utilize a personal vehicle to provide licensed TNC services,
27 provided:

28 (1) The vehicle ~~is owned by, leased to, or otherwise authorized by the legal~~ owner/lessee
29 [shall grant express written permission to the TNC for the personal vehicle](#) to be used by a TNC
30 operator to provide TNC services: and

31 (2) The vehicle is no older than fifteen (15) model years old and is designed to hold no
32 more than seven (7) individuals, including the driver; and

33 (3) The vehicle meets the vehicle-safety inspection requirements for a private motor
34 vehicle in Rhode Island, or the state in which the vehicle is registered, performed by a facility

1 licensed by the state to conduct such inspections, and shall display an according inspection sticker
2 on the vehicle's windshield if required to do so by applicable law; and

3 (4) The vehicle shall have met or surpassed sanitary/acceptability standards established
4 by the TNC with which the TNC operator has "partnered"; and

5 (5) It shall be prohibited for a TNC operator to connect to a TNC's digital network for the
6 purpose of accepting solicitations and providing TNC services in a personal vehicle other than a
7 personal vehicle that the TNC operator has registered with the TNC pursuant to § 39-14.2-11.

8 **39-14.2-14. Proof of financial responsibility of transportation network companies.**

9 (a) On or before ninety (90) days after the effective date of this chapter and thereafter,
10 TNC ~~drivers~~ vehicle owners, or a TNC on the driver's and TNC vehicle owners behalf, shall
11 maintain primary automobile insurance that:

12 (1) Recognizes that the driver is a transportation network company driver or otherwise
13 uses a vehicle to transport riders for compensation and covers the driver and the vehicle owner:

14 (i) While the driver is logged on to the transportation network company's digital network;
15 or

16 (ii) While the driver is engaged in a prearranged ride or providing transportation network
17 company services.

18 (b) The following automobile liability insurance requirements shall apply during the time
19 a TNC driver is logged into the TNC's digital network and available to receive requests for
20 transportation but is not providing prearranged rides:

21 (1) Primary automobile liability insurance in the amount of at least fifty thousand dollars
22 (\$50,000) for death and bodily injury per person, one hundred thousand dollars (\$100,000) for
23 death and bodily injury per incident, and twenty-five thousand dollars (\$25,000) for property
24 damage.

25 (2) Uninsured and underinsured motorist coverage to the extent required by § 27-7-2.1.

26 (3) The coverage requirements of subsection (b) may be satisfied by any of the following:

27 (i) Automobile insurance maintained by the TNC ~~driver~~ vehicle owner; or

28 (ii) Automobile insurance maintained by the TNC; or

29 (iii) Any combination of subsections (b)(3)(i) and (b)(3)(ii).

30 (c) The following automobile liability insurance requirements shall apply while a TNC
31 driver is providing prearranged rides:

32 (1) Primary automobile liability insurance that provides at least one million five hundred
33 thousand dollars (\$1,500,000) for death, bodily injury, and property damage;

34 (2) Uninsured and underinsured motorist coverage to the extent required by § 27-7-2.1;

1 (3) The coverage requirements of this subsection may be satisfied by any of the
2 following:

3 (i) Automobile liability insurance maintained by the TNC ~~driver~~ [vehicle owner](#); or

4 (ii) Automobile liability insurance maintained by the TNC; or

5 (iii) Any combination of subsections (c)(3)(i) and (c)(3)(ii).

6 (d) If insurance maintained by a TNC ~~driver~~ [vehicle owner](#) to fulfill the insurance
7 requirements of subsections (b) and (c) of this section has lapsed or does not provide the required
8 coverage, insurance maintained by a TNC shall provide the coverage required by this section
9 beginning with the first dollar of a claim and such insurer shall have the duty to defend such
10 claim.

11 (e) Coverage under an automobile insurance policy maintained by the transportation
12 network company shall not be dependent on a personal automobile insurer first denying a claim
13 nor shall a personal automobile insurance policy be required to first deny a claim.

14 (f) Insurance required by this section may be placed with an insurer licensed under § 27-
15 2.4-1 et seq., or with a surplus lines insurer eligible under § 27-3-40 that has a credit rating of no
16 less than "A-" from A.M. Best, or "A" from Demotech, or similar rating from another rating
17 agency recognized by the Rhode Island insurance division.

18 (g) Insurance required by this section shall be deemed to satisfy the financial
19 responsibility requirement for a motor vehicle under § 31-47-2(13)(i)(A).

20 (h) A TNC driver [or TNC vehicle owner](#) shall carry physical or electronic proof of
21 coverage satisfying subsections (b) and (c) with him or her at all times during his or her use of a
22 vehicle in connection with a TNC's digital network. In the event of an accident, a TNC driver [or](#)
23 [TNC vehicle owner](#) shall provide this insurance coverage information to the directly interested
24 parties, automobile insurers, and investigating police officers, upon request pursuant to § 31-47-
25 2(15). Upon such request, a TNC driver shall also disclose to directly interested parties,
26 automobile insurers, and investigating police officers, whether they were logged on to the TNC's
27 digital network or providing prearranged rides at the time of an accident.

28 **39-14.2-15. TNC and insurer disclosure requirements.**

29 (a) The TNC shall disclose, in writing, to TNC drivers [and the TNC vehicle owners](#) the
30 following before they are allowed to accept a request for prearranged rides on the TNC's digital
31 network:

32 (1) The insurance coverage, including the types of coverage and the limits for each
33 coverage, that the TNC provides while the TNC driver uses a personal vehicle in connection with
34 a TNC's digital network; and

1 (2) That the TNC ~~driver's~~ vehicle owner's own automobile insurance policy might not
2 provide any coverage while the driver is logged on to the TNC's digital network and is available
3 to receive transportation requests or is engaged in a prearranged ride, depending on its terms.

4 (b) Insurers that write automobile liability insurance in Rhode Island may exclude any
5 and all coverage afforded under the policy issued to an owner or operator of a personal vehicle
6 for any loss or injury that occurs while a TNC driver is logged on to a TNC's digital network or
7 while a TNC driver provides a prearranged ride. This right to exclude all coverage may apply to
8 any coverage included in an automobile insurance policy including, but not limited to:

9 (1) Liability coverage for bodily injury and property damage;

10 (2) Uninsured and underinsured motorist coverage;

11 (3) Medical payments coverage;

12 (4) Comprehensive physical damage coverage;

13 (5) Collision physical damage coverage; and

14 (6) Personal injury protection.

15 Such exclusions shall apply notwithstanding any requirement under § 31-47-2(13)(i)(A).
16 Nothing in this section shall be construed as to require an insurer to use any particular policy
17 language or reference to this section in order to exclude any and all coverage for any loss or
18 injury that occurs while a driver is logged on to a TNC's digital network or while a TNC driver
19 provides a prearranged ride.

20 Nothing in this section shall be deemed to preclude an insurer from providing primary or
21 excess coverage by contract or endorsement for the TNC ~~driver's~~ vehicle owner's personal vehicle
22 while the TNC driver is logged on to a digital network or while the driver is engaged in a
23 prearranged ride.

24 (c) Automobile insurers that exclude the coverage described in § 39-14.2-14(b) and (c)
25 shall have no duty to defend or indemnify any claim expressly excluded thereunder. Nothing in
26 this chapter shall be deemed to invalidate or limit an exclusion contained in a policy including
27 any policy in use or approved for use in Rhode Island prior to the enactment of this chapter that
28 excludes coverage for vehicles used to carry persons or property for a charge or available for hire
29 by the public. An automobile insurer that defends or indemnifies a claim against a vehicle owner
30 and driver that is excluded under the terms of its policy, shall have a right of contribution against
31 other insurers that provide automobile insurance to the same driver and vehicle owner in
32 satisfaction of the coverage requirements of § 39-14.2-14(b) and (c) at the time of loss.

33 (d) In a claims coverage investigation, a TNC shall immediately provide upon request by
34 directly involved parties or any insurer of the transportation network company vehicle owner or

1 driver, if applicable, the precise times that a transportation network company driver logged on
2 and off of the TNC's digital network in the twelve-hour (12) periods immediately preceding and
3 immediately following the accident. Any insurer providing coverage under § 39-14.2-14(b) and
4 (c) shall disclose upon request by any other such insurer involved in the particular claim, the
5 applicable coverage, exclusions, and limits provided under any automobile insurance maintained
6 under § 39-14.2-14(b) and (c).

7 SECTION 2. This act shall take effect on January 1, 2018.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- TRANSPORTATION NETWORK
COMPANY SERVICES

- 1 This act would subject TNC vehicle owners to the regulation of transportation network
2 companies.
3 This act would take effect on January 1, 2018.

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