

SENATE BILL 1052

By Johnson

AN ACT to amend Tennessee Code Annotated, Title 55  
and Title 56, relative to insurance relating to  
transportation network services.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, is amended by adding a  
new part:

**56-7-3501.** Notwithstanding any other provision of this title, this part shall apply to  
transportation network companies and insurance requirements for the companies.

Notwithstanding § 56-7-1101 or any other law affecting whether one (1) or more policies of  
insurance that may apply with respect to an occurrence is primary or excess, this part  
determines the obligations under insurance policies issued to transportation network companies  
and, if applicable, drivers using a vehicle in connection with a transportation network company's  
online-enabled application or platform.

**56-7-3502.**

(a) As used in this part:

(1) "Driver" means any person who uses a vehicle in connection with a  
transportation network company's online-enabled application or platform to  
connect with passengers;

(2) "Transportation network company" or "TNC" means an organization,  
including, but not limited to, a corporation, limited liability company, partnership,  
sole proprietor, or any other entity operating in this state that provides  
prearranged transportation services for compensation using an online-enabled

application or platform to connect passengers with drivers using a personal vehicle; and

(3) “Transportation network company insurance” or “TNC insurance” means an insurance policy that specifically covers a driver’s use of a vehicle in connection with a transportation network company’s online-enabled application or platform.

**56-7-3503.** A TNC shall disclose in writing to drivers, as part of its agreement with those drivers, the insurance coverage and limits of liability that the TNC provides while the driver uses a vehicle in connection with a TNC’s online-enabled application or platform, and shall advise a driver in writing that the driver’s personal automobile insurance policy may not provide any required or optional coverage because, and while, the driver uses a vehicle in connection with a TNC’s online-enabled application or platform.

**56-7-3504.**

(a) Notwithstanding the Tennessee Financial Responsibility Law of 1977, compiled in title 55, chapter 12, a TNC, any driver, or a combination of both as provided in this part, shall maintain TNC insurance as provided in this section.

(b) The following requirements shall apply to TNC insurance from the moment a driver accepts a ride request on the TNC’s online-enabled application or platform until the driver completes the transaction on the online-enabled application or platform or until the ride is complete, whichever is later:

(1) TNC insurance shall provide primary liability coverage in the amount of one million dollars (\$1,000,000) for death, bodily injury, and property damage; and

(2) TNC insurance coverage provided under this subsection (b) shall also provide:

(A) Uninsured motorist coverage and underinsured motorist coverage in the amount of one million dollars (\$1,000,000); and

(B) Collision physical damage coverage and comprehensive physical damage coverage if the driver carries those coverages on their personal automobile insurance policy unless that insurer is providing TNC insurance to the driver.

(c) The coverage requirements of this section may be satisfied by any of the following:

(1) TNC insurance maintained by a participating driver;

(2) TNC insurance maintained by a TNC; or

(3) Any combination of subdivision (c)(1) or (c)(2); provided, however, a TNC obtains the policy of the driver and confirms the policy covers the driver's use of a vehicle in connection with a TNC's online-enabled application or platform and confirms that the driver continuously maintains the policy.

(d) The insurer providing TNC insurance under this section shall have the duty to defend and indemnify its insured for whom it provided TNC insurance.

(e) The following requirements shall apply to TNC insurance while the driver is logged on to the TNC's online-enabled application, but not falling within the application of subsection (b):

(1) TNC insurance shall provide primary liability coverage and in the amount of at least fifty thousand dollars (\$50,000) for death and bodily injury per person, one hundred thousand dollars (\$100,000) for death and bodily injury per incident, and twenty-five thousand dollars (\$25,000) for property damage;

(2) TNC insurance coverage provided under this subsection (e) shall also provide:

(A) Uninsured motorist coverage and underinsured motorist coverage in the amount of one million dollars (\$1,000,000); and

(B) Collision physical damage coverage and comprehensive physical damage coverage if the driver carries those coverages on their personal automobile insurance policy, unless the insurer providing the personal automobile insurance policy is also providing TNC insurance to the driver;

(3) The requirements for the coverage required by this subsection (e) may be satisfied by any of the following:

(A) TNC insurance maintained by a driver;

(B) TNC insurance maintained by a TNC that provides coverage in the event a driver's TNC insurance policy has ceased to exist or has been canceled, or the driver does not otherwise maintain TNC insurance pursuant to this subsection (e); or

(C) Any combination of subdivision (e)(3)(A) or (e)(3)(B); and

(4) The insurer providing TNC insurance under this subsection (e) shall have the duty to defend and indemnify the insured.

(f) Notwithstanding § 56-7-1101 or any other provision of this title, coverage under a TNC insurance policy shall not be dependent on a personal automobile insurance policy first denying a claim nor shall a personal automobile insurance policy be required to first deny a claim.

(g) In every instance where a TNC insurance policy that is maintained by a driver to fulfill the insurance obligations of this section has lapsed or ceased to exist, the TNC shall provide the coverage required by this section beginning with the first dollar of a claim.

**56-7-3505.**

(a) From the moment a driver in a TNC logs on to the TNC's online-enabled application or platform until the driver logs off the online-enabled application or platform or until the ride is complete, whichever is later, all of the following shall apply:

(1) The driver or the vehicle owner's personal automobile insurance policy shall not provide any coverage to the driver, vehicle owner, or any third party, unless the policy:

(A) Expressly provides for that coverage during the relevant period of time stated in this subsection (a), with or without a separate charge; or

(B) Contains an amendment or endorsement to provide that coverage, for which a separately stated premium is charged; and

(2) The driver or the vehicle owner's personal automobile insurance policy shall not require the duty to defend or indemnify for the driver's activities in connection with the TNC, unless the policy:

(A) Expressly provides otherwise for the relevant period of time stated in this subsection (a), with or without a separate charge; or

(B) Contains an amendment or endorsement to provide that coverage, for which a separately stated premium is charged.

(b) Notwithstanding any other provision of this title, a personal automobile insurer may, at its discretion, offer an automobile insurance policy, or an amendment or endorsement to an existing policy that covers a private passenger vehicle, station wagon type vehicle, sport utility vehicle, or similar type of vehicle with an occupancy capacity of eight (8) persons or less, while used in connection with a TNC's online-enabled application or platform only if the policy expressly provides for the coverage during the relevant time period specified in subsection (a), with or without a separate charge, or

unless the policy contains an amendment or an endorsement to provide that coverage, for which a separately stated premium may be charged.

(c) A private passenger automobile insurance policy is not required to provide, and nothing in this section shall require, primary or excess coverage during the period of time that covers the moment a driver in a TNC logs on to the TNC's online-enabled application or platform until the driver logs off the online-enabled application or platform or until a passenger exits the vehicle, whichever is later.

**56-7-3506.**

(a) In a claims coverage investigation, a TNC or its insurer shall cooperate with any other insurers that are involved in the claims coverage investigation to facilitate the exchange of information, including the provision of dates and times at which an accident occurred involving a driver as well as the precise times that the driver logged on and off the TNC's online-enabled application or platform.

(b) A TNC shall have a duty to maintain, or cause to be maintained, information and records, including data and metadata, sufficient to facilitate cooperation in a claims coverage investigation, as may be required by subsection (a), while the driver is affiliated with the TNC and for a period of at least three (3) years after the affiliation has ended.

**56-7-3507.** Notwithstanding title 55 or any other provision of this title, a driver of a TNC shall carry proof of TNC insurance coverage with such driver at all times during that driver's use of a vehicle in connection with a TNC's online-enabled application or platform. In the event of an accident, a driver shall provide this insurance coverage information to any other party involved in the accident, and to a police officer, upon request.

SECTION 2. Tennessee Code Annotated, Section 55-12-102, is amended by inserting the following language as new, appropriately designated subdivisions:

( ) “Transportation network company” means a transportation network company as defined in § 56-7-3502;

( ) “Transportation network company insurance” means transportation network company insurance as defined in § 56-7-3502;

SECTION 3. Tennessee Code Annotated, Title 55, Chapter 12, is amended by adding the following language as a new, appropriately designated section:

Notwithstanding any other section in this chapter, a transportation network company and transportation network company insurance shall be governed by title 56, chapter 7, part 35.

SECTION 4. This act shall take effect July 1, 2016, the public welfare requiring it.