

California, TNCs & Insurance

www.insurance.ca.gov/tnc

Dave Jones, Commissioner

NAIC Continuing Legal Education Seminar

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"Insurance Protection for all Californians."

Why we care

1)



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2) Non-professional drivers

3) Not covered by personal auto insurance



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Uber Ride-Share Driver Charged In Death Of Girl Killed In San Francisco Crosswalk



UBER DRIVER ARRESTED FOR TAKING DRUNK WOMAN TO PANORAMA CITY MOTEL ROOM



SFO says it arrested Uber and Lyft drivers in ridesharing crackdown



Ridesharing firms face legal threat from San Francisco, Los Angeles - WSJ



Clarifying the Terms

TNC = companies which facilitate use of personal vehicles to transport passengers for a fee

TNC Periods	Definition
Period 1	Pre-Match
Period 2	Match accepted -> passenger pick up
Period 3	Passenger in the vehicle



Split Regulation of Livery

Taxis	Charter Party Carriers
Regulated by municipalities	Regulated by CPUC
Hailed	Pre-arranged
Insurance requirements vary: 15/30/5 to \$1 million	Insurance requirement: \$750K (7 passengers or fewer)

CPUC ruled TNCs are subject to CPUC regulation.



CDI's Actions

- Reviewed livery exclusions & policies
- Public hearing on insurance coverage gaps
- Insurance Commissioner recommendations to CPUC & Legislature



Commissioner Jones Recommendations

- TNCs should provide \$1 million commercial liability insurance that begins the moment a driver switches on the app
- TNCs should provide \$1 million UM/UIM
- TNCs should provide comp/collision coverage if the driver has those coverages on the driver's own policy
- Drivers should carry TNC insurance policy information
- TNCs should inform drivers that personal auto insurance coverages may not apply while they drive for the TNC



CPUC insurance requirements

Original CPUC decision (September 2013)

- Period 1: silent
- Periods 2/3: driver's personal auto primary with TNC's insurer at \$1 million excess

Gaps

- Physical damage, UM/UIM, medical payments
- Taxis/limos are insured 24/7/365



Final CA insurance requirements

AB 2293 (Bonilla) – Enacted September 2014

- Period 1: TNC-specific driver endorsement for 50/100/30 liability; TNC must maintain \$200K excess
- Periods 2/3: TNC primary liability at \$1 million
- Provides that personal auto provides no coverage
- Potential gaps: physical damage, UM/UIM in Period 2, medical payments
- Effective 7/1/15



Interesting Legal Issues

- Isolating miles (personal/commute miles, Period 1 miles, Period 2/3 miles)?
- Should collisions/convictions while driving for a TNC be treated as personal or business?
 - CA treats as personal
- Will insurers and TNCs provide all the data necessary to complete/release studies in CA and CO?



Unresolved Issues

- Which insurers will step into this market? For what periods?
- Will TNC's mandate that the drivers maintain a driver policy?
- Will onboard navigation interface mean many become occasional TNC drivers?

