

DEPARTMENT OF INSURANCE

RATE SPECIALIST BUREAU
300 SOUTH SPRING STREET, SOUTH TOWER - 11TH FLOOR
LOS ANGELES, CA 90013
(213) 346-6774
(213) 897-6361 (Fax)
www.insurance.ca.gov



February 6, 2017

Re: Survey of Transportation Network Company (TNC) Insurance Experience

To: All Personal and Commercial Automobile Insurers Transacting Business in California

The purpose of this letter is to communicate the requirements for a data call which is mandated by California statute. A complete response to the California Department of Insurance (CDI) is required by July 1, 2017. We look forward to your timely response and appreciate your efforts in compiling the necessary information.

On September 17, 2014, the California Legislature approved Assembly Bill 2293 (Bonilla) to add Article 7-Transportation Network Companies, to Chapter 8 of Division 2 of the California Public Utilities Code (PUC Sections 5430-5443). Article 7 requires that a company identified as a transportation network company (TNC) and its participating drivers in California maintain automobile liability insurance coverage. PUC Section 5431(a) defines a TNC as “an organization, including, but not limited to, a corporation, limited liability company, partnership, sole proprietor, or any other entity, operating in California that provides prearranged transportation services for compensation using an online-enabled application or platform to connect passengers with drivers using their personal vehicles.”

AB 2293 also mandates that the California Public Utilities Commission (CPUC) and the CDI “collaborate on a study of transportation network company insurance to assess whether coverage requirements are appropriate to the risk of transportation network company services in order to promote data-driven decisions on insurance requirements, and shall report the findings of this study to the Legislature no later than December 31, 2017.” When mentioned, as defined by PUC Section 5431(c), TNC insurance refers to a “liability insurance policy that specifically covers liabilities arising from a driver’s use of a vehicle in connection with a transportation network company’s online-enabled application or platform.” As part of this study, CDI is sending out this survey to all automobile insurance (personal or commercial) insurers to determine which insurers have already offered TNC insurance coverages to TNCs and/or their participating drivers in California.

The insurance coverage periods and coverage limits are:

A) Coverage Periods:

- 1) Period 1 – The TNC driver has logged onto the App, but has not yet accepted a ride request.
- 2) Period 2 – The TNC driver has accepted a ride request and is driving to the pick-up location.
- 3) Period 3 – The passenger enters the TNC driver’s vehicle until the passenger exits the vehicle.

B) Coverage Limits: The coverage limits may be satisfied by the TNC’s commercial automobile and/or by the TNC driver’s automobile insurance coverage.

- 1) TNC insurance shall be primary in the amount of \$50,000 for death & personal injury (per person), \$100,000 for death & personal injury (per incident), and \$30,000 for property damage for Period 1. – PUC Section 5433(c)(1).
- 2) TNC insurance shall be primary and in the amount of one million dollars (\$1,000,000) for death, personal injury, and property damage for Periods 2 and/or 3 – PUC Section 5433 (b)(1).
- 3) TNC insurance shall also provide excess coverage of at least \$200,000 per occurrence to cover any liability arising from a participating driver using a vehicle in connection with TNC services – PUC Section 5433 (c)(2).
- 4) TNC insurance shall also provide uninsured motorist and underinsured motorist coverage of one million dollars (\$1,000,000) for Period 3 – PUC Section 5433 (b)(2).

Additional information on AB2293 can be accessed via the California Legislature website at http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140AB2293.

The CDI survey/data call includes:

- 1) General Instructions
- 2) Signature Page
- 3) Questionnaire
- 4) Policy Information Exhibit Instructions and Worksheet
- 5) Individual Claim Instructions and Worksheet

The survey can be downloaded from the CDI's internet site at:

<https://www.insurance.ca.gov/0250-insurers/0300-insurers/0100-applications/rsb-forms/2016/TNC2017.cfm>.

Please email the completed survey to the Rate Specialist Bureau at: rsbTNC@insurance.ca.gov. The completed and signed Signature Page should be scanned and submitted in PDF format. The completed Questionnaire, Individual Claim, and Policy Information Exhibit data worksheet(s) are to be submitted as Excel files. The data requested in the Individual Claim worksheet can also be submitted as a Comma Delimited Text file with column headers included as the first line.

Each company's submitted data will remain confidential and results will be presented on an aggregate basis.

Any questions or correspondence can be directed to:

California Department of Insurance
Attention: Rate Specialist Bureau
E-mail: rsbTNC@insurance.ca.gov

**** The completed survey is due July 1, 2017. ****

Your assistance and cooperation is greatly appreciated.

Sincerely,

GEORGE YEN
Chief, Rate Specialist Bureau
California Department of Insurance