

DEPARTMENT OF INSURANCE

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March 25, 2014

Marzia Zafar
Director, Policy and Planning Division
California Public Utilities Commission
505 Van Ness Avenue, 5th Floor
San Francisco, CA 94102

RE: Rulemaking 12-12-011

Dear Ms. Zafar:

The California Department of Insurance held an investigatory hearing on March 21, 2014, relating to insurance issues and Transportation Network Companies. The full agenda and the audio are available on the web at www.insurance.ca.gov.

We have the following initial recommendations:

- The CPUC should refine the definition of "when providing TNC services" to cover the "app on, no match" period and require the \$1 million commercial liability policy to apply during this period. There appears to be a significant insurance gap for drivers, pedestrians and third parties that are involved in an accident with TNC-related vehicles during this period.
- TNCs should also be required to carry a minimum of \$1 million UM/UIM and a minimum of \$50,000/\$100,000 comprehensive and collision, if the driver has purchased this coverage on his or her own policy. Drivers who use their personal vehicles for a TNC purpose run a strong possibility of having claims denied by their personal automobile insurance company because the driver used the car for a commercial or livery purpose.

The recommendations above are initial recommendations. The Department of Insurance is continuing to review the testimony and documents provided at our hearing, and may have further recommendations in the near future.

Please contact Deputy Commissioner Chris Shultz at (916) 492-3589 with any questions regarding these recommendations.

Sincerely

A handwritten signature in cursive script that reads "Dave Jones".

DAVE JONES
Insurance Commissioner