

Amendment No. 486

Senate Amendment to Senate Bill No. 440	(BDR 57-983)
Proposed by: Senate Committee on Commerce, Labor and Energy	
Amends: Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

AAK/JRS



Date: 4/14/2015

S.B. No. 440—Revises provisions relating to insurance. (BDR 57-983)



SENATE BILL NO. 440—COMMITTEE ON
COMMERCE, LABOR AND ENERGY

MARCH 23, 2015

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions relating to insurance. (BDR 57-983)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to insurance; revising provisions relating to casualty insurance for certain uses of motor vehicles; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires every owner or operator of a motor vehicle which is registered in this State to continuously provide insurance for the payment of tort liabilities arising from the maintenance or use of the motor vehicle subject to certain requirements for coverage. (NRS 485.185, 485.186) This bill provides different requirements for coverage for a motor vehicle which is used by a driver in connection with a transportation network company. **Section 4** of this bill defines a "transportation network company" as an entity that uses a digital network or software application service to connect passengers to drivers who can provide transportation services. **Section 6** of this bill defines "transportation services" as the transportation by motor vehicle of one or more passengers between points chosen by the passenger or passengers and prearranged with a driver through the use of the digital network or software application service of a transportation network company.

Section 7 of this bill requires a transportation network company to make certain disclosures to a person before ~~entering into an agreement with~~ *allowing* that person to provide transportation services as a driver. **Section 8** of this bill requires a transportation network company or a driver to continuously provide insurance subject to certain requirements for coverage. **Section 8** specifies ~~(whether)~~ *that* the transportation network company insurance may be provided by the transportation network company, the driver or both. **Section 8** requires the transportation network company to provide certain insurance which provides coverage *as primary insurance* if the insurance provided by the driver is insufficient for certain reasons. **Section 8** allows a policy of transportation network company insurance to include certain additional coverages. **Section 8** prohibits an insurer who provides a policy of transportation network company insurance from requiring a driver's personal policy of automobile insurance to deny a claim before providing coverage.

Section 9 of this bill provides that a personal policy of automobile insurance is not required to include transportation network company insurance. **Section 9** authorizes an insurer to include transportation network company insurance in such a policy and allows the insurer to charge an additional premium for doing so.

Section 10 of this bill requires a transportation network company, a driver and an insurer who provides transportation network company insurance to cooperate in the investigation of an accident. **Section 11** of this bill requires a driver: (1) to carry proof of transportation network company insurance at all times when the driver is logged into the digital network or

software application service of the transportation network company, available to receive requests for transportation services or providing transportation services; and (2) to provide proof of coverage and disclose certain information to a law enforcement officer and to any other party with whom the driver is involved in an accident.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 690B of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 11, inclusive, of this act.

Sec. 2. *As used in sections 2 to 11, inclusive, of this act, the words and terms defined in sections 3 to 6, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 3. *“Driver” means a natural person who:*

1. Operates a motor vehicle that is owned, leased or otherwise authorized for use by the person; and

2. Enters into an agreement with a transportation network company to receive connections to potential passengers and related services from the transportation network company in exchange for the payment of a fee to the transportation network company.

Sec. 4. *“Transportation network company” means an entity that uses a digital network or software application service to connect a passenger to a driver who can provide transportation services to the passenger.*

Sec. 5. *“Transportation network company insurance” means a policy of insurance that includes coverage specifically for the use of a vehicle by a driver pursuant to sections 2 to 11, inclusive, of this act.*

Sec. 6. *“Transportation services” means the transportation by a driver of one or more passengers between points chosen by the passenger or passengers and prearranged through the use of the digital network or software application service of a transportation network company. The term includes only the period beginning when a driver accepts a request for transportation received through the digital network or software application service of a transportation network company and ending when the passenger or passengers exit the motor vehicle operated by the driver.*

Sec. 6.5. *The provisions of sections 2 to 11, inclusive, of this act do not apply to a person who is regulated pursuant to chapter 704 or 706 of NRS.*

Sec. 7. *Before ~~entering into an agreement with~~ allowing a natural person to be connected to a potential passenger using the digital network or software application service of a transportation network company to provide transportation services as a driver, a transportation network company shall, in writing:*

1. Disclose the insurance coverage and limits of liability that the transportation network company provides for a driver while the driver is providing transportation services; and

2. Notify the person that his or her insurance for the operation of a motor vehicle required pursuant to NRS 485.185 may not provide coverage for the use of a motor vehicle to provide transportation services.

Sec. 8. *1. Every transportation network company or driver shall continuously provide, during any period in which the driver is providing transportation services, transportation network company insurance provided by an insurance company licensed by the Division of Insurance of the Department*

1 *of Business and Industry and approved to do business in this State ~~or a broker~~*
2 *licensed pursuant to chapter 685A of NRS or procured directly from a*
3 *nonadmitted insurer, as defined in NRS 685A.0375;*

4 (a) *In an amount of not less than \$1,500,000 for bodily injury to or death of*
5 *one or more persons and injury to or destruction of property of others in any one*
6 *accident that occurs while the driver is providing transportation services;*

7 (b) *In an amount of not less than \$50,000 for bodily injury to or death of one*
8 *person in any one accident that occurs while the driver is logged into the digital*
9 *network or software application service of the transportation network company*
10 *and available to receive requests for transportation services but is not otherwise*
11 *providing transportation services;*

12 (c) *Subject to the minimum amount for one person required by paragraph*
13 *(b), in an amount of not less than \$100,000 for bodily injury to or death of two or*
14 *more persons in any one accident that occurs while the driver is logged into the*
15 *digital network or software application service of the transportation network*
16 *company and available to receive requests for transportation services but is not*
17 *otherwise providing transportation services; and*

18 (d) *In an amount of not less than \$25,000 for injury to or destruction of*
19 *property of others in any one accident that occurs while the driver is logged into*
20 *the digital network or software application service of the transportation network*
21 *company and available to receive requests for transportation services but is not*
22 *otherwise providing transportation services,*

23 *for the payment of tort liabilities arising from the maintenance or use of the*
24 *motor vehicle.*

25 2. *The transportation network company insurance required by ~~1~~*

26 ~~*— (a) Paragraph (a) of subsection 1 may be provided through one or a*~~
27 ~~*combination of insurance policies provided by the transportation network*~~
28 ~~*company or the driver, or both.*~~

29 ~~*1 — (b) Paragraphs (b), (c) and (d) of subsection 1, except as otherwise provided*~~
30 ~~*in subsection 3, must be provided by the driver. Insurance in the amounts*~~
31 ~~*required by paragraphs (b), (c) and (d) of subsection 1 must be provided by the*~~
32 ~~*driver, as required by NRS 485.185, while the driver is not logged into the digital*~~
33 ~~*network or software application service of the transportation network company,*~~
34 ~~*not available to receive requests for transportation services and not providing*~~
35 ~~*transportation services.*~~

36 3. *Every transportation network company shall continuously provide,*
37 *during any period in which the driver is providing transportation services,*
38 *transportation network company insurance provided by an insurance company*
39 *licensed by the Division of Insurance of the Department of Business and Industry*
40 *and approved to do business in this State or a broker licensed pursuant to chapter*
41 *685A of NRS or procured directly from a nonadmitted insurer, as defined in NRS*
42 *685A.0375, which meets the requirements of subsection 1 as primary insurance if*
43 *the insurance provided by the driver:*

44 (a) *Lapses; or*

45 (b) *Fails to meet the requirements of subsection 1. ~~1~~*

46 ~~*— (c) Denies a claim pursuant to the coverage required by subsection 1; or*~~

47 ~~*— (d) Otherwise does not exist or ceases to exist.*~~

48 4. *Notwithstanding the provisions of NRS 485.185 and 485.186 which*
49 *require the owner or operator of a motor vehicle to provide insurance, ~~1~~*
50 *transportation network company insurance shall be deemed to satisfy the*
51 *requirements of NRS 485.185 or 485.186, as appropriate, regardless of whether*
52 *the insurance is provided by the transportation network company or the driver, or*

1 both, if the transportation network company insurance otherwise satisfies the
2 requirements of NRS 485.185 or 485.186, as appropriate.

3 5. In addition to the coverage required pursuant to subsection 1, a policy of
4 transportation network company insurance may include additional coverage,
5 including, without limitation, coverage for medical payments, coverage for
6 uninsured or underinsured motorists, comprehensive coverage and collision
7 coverage.

8 ~~6. Except as otherwise provided in subsection 3, an~~ An insurer who
9 provides transportation network company insurance shall not require a policy of
10 insurance for the operation of a motor vehicle required pursuant to NRS 485.185
11 or 485.186, as appropriate, to deny a claim before the transportation network
12 company insurance provides coverage for a claim.

13 7. An insurer who provides transportation network company insurance has
14 a duty to defend and indemnify the driver and the transportation network
15 company.

16 8. A transportation network company that provides transportation network
17 company insurance for a motor vehicle is not deemed to be the owner of the
18 motor vehicle.

19 Sec. 9. 1. A policy of insurance for the operation of a motor vehicle
20 required pursuant to NRS 485.185 or 485.186, as appropriate, is not required to
21 include transportation network company insurance ~~and, unless the insurer~~
22 ~~includes transportation network company insurance in the policy pursuant to~~
23 ~~subsection 2, the~~ An insurer providing ~~such~~ a policy which excludes
24 transportation network company insurance does not have a duty to defend or
25 indemnify a driver for any claim arising during any period in which the driver is
26 logged into the digital network or software application service of the
27 transportation network company, available to receive requests for transportation
28 services or providing transportation services.

29 2. An insurer who provides a policy of insurance for the operation of a
30 motor vehicle required pursuant to NRS 485.185 or 485.186, as appropriate, may
31 include transportation network company insurance in such a policy. An insurer
32 may charge an additional premium for the inclusion of transportation network
33 company insurance in such a policy.

34 3. An insurer who:
35 (a) Defends or indemnifies a driver for a claim arising during any period in
36 which the driver is logged into the digital network or software application service
37 of the transportation network company, available to receive requests for
38 transportation services or providing transportation services; and

39 (b) Excludes transportation network company insurance from the policy of
40 insurance for the operation of a motor vehicle provided to the driver,
41 has the right of contribution against other insurers who provide coverage to
42 the driver to satisfy the coverage required by section 8 of this act at the time of the
43 loss.

44 Sec. 10. In any investigation relating to tort liability arising from the
45 operation of a motor vehicle, each transportation network company and driver,
46 and each insurer providing transportation network company insurance to a
47 transportation network company or driver, who is involved in the underlying
48 incident shall cooperate with any other party to the incident and any other
49 insurer involved in the investigation and share information, including, without
50 limitation: ~~the dates and times that~~

51 1. ~~The date and time of an accident occurred~~ involving a driver.

52 2. ~~The dates and times that the driver involved in an accident logged~~
53 ~~into the digital network or software application service of the transportation~~

1 network company ~~for~~ for a period of 12 hours immediately preceding and 12
2 hours immediately following the accident.

3 3. ~~for~~ The dates and times that the driver involved in an accident logged out
4 of the digital network or software application service of the transportation
5 network company ~~for~~ for a period of 12 hours immediately preceding and 12
6 hours immediately following the accident.

7 4. A clear description of the coverage, exclusions and limits provided under
8 any policy of transportation network company insurance which applies.

9 Sec. 11. 1. A driver shall carry proof of coverage under a policy of
10 transportation network company insurance at all times when the driver is logged
11 into the digital network or software application service of the transportation
12 network company, available to receive requests for transportation services or
13 providing transportation services.

14 2. A driver shall provide proof of coverage under a policy of transportation
15 network company insurance and disclose whether he or she was logged into the
16 digital network or software application service of the transportation network
17 company, available to receive requests for transportation services or providing
18 transportation services at the time of an accident upon request to a law
19 enforcement officer and to any party with whom the driver is involved in an
20 accident.