Assembly Bill No. 523–Committee on Growth and Infrastructure

CHAPTER..........

AN ACT relating to transportation; revising the minimum dollar amount of transportation network company insurance that a transportation network company, a driver or a monitored autonomous vehicle provider is required to maintain under certain circumstances; defining certain terms related to delivery network companies; providing that certain delivery network companies are not vicariously liable for any acts or omissions of a driver who provides delivery services for the delivery network company; providing that a transportation network company is not vicariously liable for any acts or omissions of a driver who provides transportation services for the transportation network company; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law sets forth various provisions governing transportation network companies which enter into agreements with one or more drivers to receive connections to potential passengers from the company in exchange for the payment of a fee by the driver to the company. (Chapter 706A of NRS) Existing law requires a transportation network company or driver to continuously provide, during any period in which the driver is providing transportation services, transportation network company insurance for the payment of liabilities arising from the operation of a motor vehicle by the driver. Existing law sets forth certain minimum amounts of coverage that are required to be provided by a transportation network company or driver for the periods in which the driver is providing transportation services and for the periods in which a driver is logged into the digital network or software application service of the transportation network company and available to receive requests for transportation services but is not otherwise providing transportation services. (NRS 690B.470) **Section 1** of this bill reduces the minimum amount of transportation network company insurance required to be maintained while a driver is providing transportation services from an amount of not less than $1,500,000 to an amount of not less than $1,000,000.

Section 3 of this bill provides that a transportation network company is not vicariously liable for any act or omission of a driver or passenger that harms a person or property under any theory of liability or duty of care.

Existing law requires every monitored autonomous vehicle provider to continuously provide transportation network company insurance in an amount of not less than $1,500,000 during any period in which the monitored autonomous vehicle provider is operating a monitored autonomous vehicle, regardless of whether the provider is providing transportation services. (NRS 690B.470) **Section 1** reduces the minimum amount of transportation network company insurance required to be maintained to an amount of not less than $1,000,000.

Section 2.3 of this bill defines "delivery network company" to mean certain entities that operate in this State and use a digital network to connect a customer to a driver for the purpose of providing delivery services. **Sections 2.2 and 2.4-2.8** of this bill define certain other terms relating to delivery network companies.

Section 2.9 of this bill provides that a delivery network company is not vicariously liable for any act or omission of a driver that harms a person or property under any theory of liability or duty of care. **Section 2.9** further provides that a delivery network company shall be deemed to not control, direct or manage a driver or the personal vehicle of a driver. Additionally, **section 2.9** limits, for any driver who uses a personal vehicle which is a motor vehicle, the applicability of its provisions to a delivery network company that maintained a motor vehicle insurance policy in an amount of not less than $1,000,000.

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

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

Section 1. NRS 690B.470 is hereby amended to read as follows:

690B.470 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 of Business and Industry and approved to do business in this State or a broker licensed pursuant to chapter 685A of NRS or procured directly from a nonadmitted insurer, as defined in NRS 685A.0375:

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

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

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

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

➥ for the payment of tort liabilities arising from the maintenance or use of the motor vehicle.

2. Every monitored autonomous vehicle provider shall continuously provide, during any period in which a monitored autonomous vehicle provider is operating a monitored autonomous vehicle, transportation network company insurance provided by an insurance company licensed by the Division of Insurance of the Department of Business and Industry and approved to do business in this State or a broker licensed pursuant to chapter 685A of NRS or procured directly from a nonadmitted insurer, as defined in NRS 685A.0375, in an amount of not less than **[~~$1,500,000~~]** ***$1,000,000*** for bodily injury to or destruction of property of others in any one accident or motor vehicle crash that occurs while the monitored autonomous vehicle provider is operating a monitored autonomous vehicle for the payment of tort liabilities arising from the maintenance or use of the monitored autonomous vehicle.

3. The transportation network company insurance required by subsection 1 or 2, as applicable, may be provided through one or a combination of insurance policies provided by the transportation network company, the driver, the monitored autonomous vehicle provider, both the transportation network company and the driver or both the transportation network company and the monitored autonomous vehicle provider.

4. Every transportation network company shall continuously provide, during any period in which the driver or monitored autonomous vehicle provider is providing transportation services, transportation network company insurance provided by an insurance company licensed by the Division of Insurance of the Department of Business and Industry and approved to do business in this State or a broker licensed pursuant to chapter 685A of NRS or procured directly from a nonadmitted insurer, as defined in NRS 685A.0375, which meets the requirements of subsection 1 or 2, as applicable, as primary insurance if the insurance provided by the driver or monitored autonomous vehicle provider:

(a) Lapses; or

(b) Fails to meet the requirements of subsection 1 or 2, as applicable.

5. Notwithstanding the provisions of NRS 485.185 and 485.186 which require the owner or operator of a motor vehicle to provide insurance, transportation network company insurance shall be deemed to satisfy the requirements of NRS 485.185 or 485.186, as appropriate, regardless of whether the insurance is provided by the transportation network company, the driver, the monitored autonomous vehicle provider, both the transportation network company and the driver or both the transportation network company and the monitored autonomous vehicle provider, if the transportation network company insurance otherwise satisfies the requirements of NRS 485.185 or 485.186, as appropriate.

6. In addition to the coverage required pursuant to subsection 1 or 2, as applicable, a policy of transportation network company insurance may include additional coverage, including, without limitation, coverage for medical payments, coverage for uninsured or underinsured motorists, comprehensive coverage and collision coverage.

7. An insurer who provides transportation network company insurance shall not require a policy of insurance for the operation of a motor vehicle required pursuant to NRS 485.185 or 485.186, as appropriate, to deny a claim before the transportation network company insurance provides coverage for a claim.

8. An insurer who provides transportation network company insurance has a duty to defend and indemnify the driver or monitored autonomous vehicle provider and the transportation network company.

9. An insurer who provides transportation network company insurance which includes comprehensive coverage or collision coverage for the operation of a motor vehicle against which a lienholder holds a lien shall issue any payment for a claim under such coverage:

(a) Directly to the person who performs repairs upon the vehicle; or

(b) Jointly to the owner of the vehicle and the lienholder.

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

11. As used in this section, “monitored autonomous vehicle” has the meaning ascribed to it in NRS 706A.045.

Sec. 2. Chapter 597 of NRS is hereby amended by adding thereto the provisions set forth as sections 2.1 to 2.9, inclusive, of this act.

Sec. 2.1. ***As used in sections 2.1 to 2.9, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 2.2 to 2.8, inclusive, have the meanings ascribed to them in those sections.***

Sec. 2.2. ***"Customer" means a person who orders the delivery of goods where the driver delivers such goods at the direction of the customer.***

Sec. 2.3. ***"Delivery network company" means a corporation, partnership, sole proprietorship or other entity that:***

1. Operates in this State; and

2. Uses a digital network to connect a customer to a driver to provide delivery services.

Sec. 2.4. ***"Delivery services" means the fulfillment of customer delivery requests through the pick-up from any location of any item or items and the delivery of items using a personal vehicle to a location selected by the customer located within 50 miles of the pick-up location.***

Sec. 2.5. ***"Delivery service period" means the period:***

1. Beginning when a driver starts operating a personal vehicle enroute to pick-up goods for a delivery or series of deliveries as documented via a digital network controlled by a delivery network company;

2. Continuing while the driver transports the requested deliveries; and

3. Ending upon delivery of the requested goods to:

(a) The customer or the last customer in a series of deliveries;

(b) A location designated by the customer or the last location so designated in a series of deliveries; or

(c) A location designated by the delivery network company, including, for purposes of returning the goods.

Sec. 2.6. ***"Digital network" means any online-enabled technology application, service, website or system offered or utilized by a delivery network company that enables the provision of delivery services.***

Sec. 2.7. ***"Driver" means a natural person who provides delivery services through a delivery network company's digital network pursuant to an independent contractor agreement.***

Sec. 2.8. ***"Personal vehicle" means a vehicle including, without limitation, a motor vehicle, bicycle, scooter or other similar means of transportation, that:***

1. Is used by a driver to provide delivery services through a digital network;

2. Is owned, leased or otherwise authorized for use by the driver; and

3. Does not exceed 6,000 pounds.

Sec. 2.9. ***1. A delivery network company is not vicariously liable for any act or omission of a driver that harms a person or property under any theory of liability or duty of care.***

2. A delivery network company shall be deemed to not control, direct or manage a driver or the personal vehicle of a driver.

3. For any driver who uses a personal vehicle which is a motor vehicle, as defined in NRS 482.075, the provisions of this section apply to a delivery network company if the delivery network company maintained a motor vehicle insurance policy, in force on the date of the incident giving rise to an action, in an amount of not less than $1,000,000, that insured the driver for liability to third parties arising out of the use of a motor vehicle during the delivery service period.

4. This section does not alter or preclude any other theory of liability against a delivery network company or duty of care owed by a delivery network company to the extent available and proven under law.

Sec. 3. Chapter 706A of NRS is hereby amended by adding thereto a new section to read as follows:

1. A transportation network company is not vicariously liable for any act or omission of a driver or passenger that harms a person or property under any theory of liability or duty of care.

2. This section does not alter or preclude any other theory of liability against a transportation network company or duty of care owed by a transportation network company to the extent available and proven under law.

Sec. 4. The amendatory provisions of this act do not apply to a cause of action that arises before October 1, 2025.

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