

# SENATE BILL 701

C5, R7

9lr1385  
CF HB 1072

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By: **Senator Kramer**

Introduced and read first time: February 4, 2019

Assigned to: Finance

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 8, 2019

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Transportation Network Companies – Insurance**

3 FOR the purpose of authorizing the Motor Vehicle Administration to accept, under certain  
4 circumstances, certain forms of security from a transportation network company in  
5 place of a certain insurance policy; requiring transportation network companies to  
6 provide evidence of certain security to the Public Service Commission under certain  
7 circumstances; defining certain terms; making ~~a~~ conforming ~~change~~ changes; and  
8 generally relating to insurance for transportation network companies.

9 BY repealing and reenacting, with amendments,  
10 Article – Public Utilities  
11 Section ~~10–405(e)~~ 10–405(a), (b), (c), (d), and (e)  
12 Annotated Code of Maryland  
13 (2010 Replacement Volume and 2018 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Article – Transportation  
16 Section 17–103  
17 Annotated Code of Maryland  
18 (2012 Replacement Volume and 2018 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
20 That the Laws of Maryland read as follows:

21 **Article – Public Utilities**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 10-405.

2 (a) (1) An operator, a transportation network company on behalf of the  
3 operator, or a combination of both shall maintain primary motor vehicle insurance, OR  
4 OTHER SECURITY UNDER § 17-103(A)(3) OF THE TRANSPORTATION ARTICLE, that:

5 (i) recognizes that the operator is a transportation network operator  
6 or otherwise uses a motor vehicle to transport passengers for hire; and

7 (ii) covers the operator while the operator is providing  
8 transportation network services.

9 (2) (i) The following motor vehicle insurance requirements shall apply  
10 while an operator is providing transportation network services:

11 1. security of at least:

12 A. for the payment of claims for bodily injury or death arising  
13 from an accident, up to \$50,000 for any one person and up to \$100,000 for any two or more  
14 persons, in addition to interest and costs; and

15 B. for the payment of claims for property of others damaged  
16 or destroyed in an accident, up to \$25,000, in addition to interest and costs;

17 2. uninsured motorist insurance coverage required under §  
18 19-509 of the Insurance Article; and

19 3. personal injury protection coverage required under §  
20 19-505 of the Insurance Article; and

21 (ii) The coverage requirements under this paragraph may be  
22 satisfied by motor vehicle insurance maintained by:

23 1. an operator;

24 2. a transportation network company; or

25 3. both an operator and a transportation network company.

26 (b) If insurance OR OTHER SECURITY is provided by both the transportation  
27 network company and the operator under subsection (a) of this section, the insurance  
28 maintained by the transportation network operator is primary.

29 (c) The insurance OR OTHER SECURITY maintained by a transportation network  
30 company shall provide the coverage required under subsection (a) of this section from the  
31 first dollar of a claim and provide for the duty to defend the claim in the event the insurance

1 maintained by an operator under subsection (a) of this section has coverage that has been  
2 canceled or has lapsed or is otherwise not in force.

3 (d) (1) A transportation network company THAT PROCURES INSURANCE  
4 FROM AN ADMITTED OR NONADMITTED INSURER shall:

5 (i) verify that the coverage required under subsection (a) of this  
6 section is maintained at all times; and

7 (ii) provide to the Commission and the Insurance Commissioner,  
8 annually upon each renewal:

9 1. a valid certificate of insurance coverage that meets the  
10 requirements of subsection (a) of this section and that:

11 A. is prepared by the insurer;

12 B. is signed by an officer of the insurer;

13 C. is in a form acceptable to the Commission;

14 D. states the name and home office address of the insurer  
15 providing coverage to the transportation network company;

16 E. states the effective dates of the coverage;

17 F. states a general description of the coverage; and

18 G. includes a certification of a policy provision that will notify  
19 the Commission and the Insurance Commissioner of any termination of coverage at least  
20 60 days in advance of the effective date of the termination; and

21 2. the underlying policy for the coverage required under  
22 subsection (a) of this section.

23 (2) (i) The Commission may consult with the Insurance Commissioner  
24 concerning the provisions of the underlying policy provided to the Commission and the  
25 Insurance Commissioner under paragraph (1)(ii)2 of this subsection.

26 (ii) 1. Records provided to the Commission by a transportation  
27 network company under this section are not subject to release under the Maryland Public  
28 Information Act or any other law.

29 2. The Commission and the Insurance Commissioner may  
30 not disclose records or information provided to the Commission and the Insurance  
31 Commissioner under this section to any person unless the disclosure is required by  
32 subpoena or court order.



1                   **(II) THE ADMINISTRATION MAY ACCEPT ANOTHER FORM OF**  
2 **SECURITY FROM A TRANSPORTATION NETWORK COMPANY IN PLACE OF AN**  
3 **INSURANCE POLICY REQUIRED BY § 10-405 OF THE PUBLIC UTILITIES ARTICLE IF:**

4                   **1. THE OTHER FORM OF SECURITY ADEQUATELY**  
5 **PROVIDES THE BENEFITS REQUIRED BY § 10-405 OF THE PUBLIC UTILITIES**  
6 **ARTICLE; AND**

7                   **2. THE TRANSPORTATION NETWORK COMPANY IS AN**  
8 **AFFILIATE OF A COMPANY THAT PROVIDES TAXICAB SERVICES AND HAS NO FEWER**  
9 **THAN 26 NOR MORE THAN 300 TRANSPORTATION NETWORK OPERATORS.**

10                   **[(3)] (4)** The Administration shall, by regulation, assess each self-insurer  
11 an annual sum which may not exceed \$750, and which shall be used for actuarial studies  
12 and audits to determine financial solvency.

13                   (b) The security required under this subtitle shall provide for at least:

14                   (1) The payment of claims for bodily injury or death arising from an  
15 accident of up to \$30,000 for any one person and up to \$60,000 for any two or more persons,  
16 in addition to interest and costs;

17                   (2) The payment of claims for property of others damaged or destroyed in  
18 an accident of up to \$15,000, in addition to interest and costs;

19                   (3) Unless waived under § 19-506 of the Insurance Article or rejected  
20 under § 19-506.1 of the Insurance Article, the benefits described under § 19-505 of the  
21 Insurance Article as to basic required primary coverage;

22                   (4) The benefits required under § 19-509 or § 19-509.1 of the Insurance  
23 Article as to required additional coverage; and

24                   (5) For vehicles subject to the provisions of § 25-111.1 of this article, the  
25 security requirements adopted under 49 C.F.R., Part 387.

26                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
27 ~~October~~ June 1, 2019.