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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-NINTH SESSION

**H. F. No. 1783**

03/12/2015 Authored by Swedzinski, Hoppe, Davids, Davnie and Hilstrom  
The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform  
03/23/2015 Adoption of Report: Placed on the General Register as Amended  
Read Second Time

1.1 A bill for an act  
1.2 relating to auto insurance; providing transportation network financial  
1.3 responsibility; amending Minnesota Statutes 2014, section 65B.64, subdivision  
1.4 2; proposing coding for new law in Minnesota Statutes, chapter 65B.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. [65B.472] TRANSPORTATION NETWORK FINANCIAL  
1.7 RESPONSIBILITY.

1.8 Subdivision 1. Definitions. (a) Unless a different meaning is expressly made  
1.9 applicable, the terms defined in paragraphs (b) through (e) have the meanings given them  
1.10 for the purposes of this chapter.

1.11 (b) A "transportation network company" means a person, firm, or corporation  
1.12 operating in Minnesota that provides prearranged transportation services for compensation  
1.13 primarily using an online-enabled application or platform to connect passengers with  
1.14 drivers using a personal motor vehicle.

1.15 (c) A "participating driver" is a person who owns or uses a motor vehicle used  
1.16 in connection with a transportation network company's online-enabled application or  
1.17 platform to connect with passengers.

1.18 (d) A plan of "transportation network financial responsibility" is a plan of reparations  
1.19 security and insurance that meets the requirements of subdivision 3.

1.20 (e) "Participating driver's motor vehicle insurance" means a plan of reparations  
1.21 security and insurance that covers a motor vehicle when not used in connection with a  
1.22 transportation network company's online-enabled application or platform, whether issued  
1.23 on a personal or commercial basis.

2.1 Subd. 2. **Disclosure to participating drivers.** A transportation network company  
2.2 shall disclose in writing to participating drivers, as part of its agreement with those drivers,  
2.3 the plan of transportation network financial responsibility and the limits of liability that  
2.4 the transportation network company provides while the participating driver uses a motor  
2.5 vehicle in connection with a transportation network company's online-enabled application  
2.6 or platform, and shall advise a participating driver in writing that the participating driver's  
2.7 motor vehicle insurance may not provide required or optional coverage because of the  
2.8 participating driver's use of a motor vehicle in connection with a transportation network  
2.9 company's online-enabled application or platform.

2.10 Subd. 3. **Maintenance of transportation network financial responsibility.** (a)  
2.11 A transportation network company and a participating driver shall, individually or in  
2.12 combination, maintain a plan of transportation network financial responsibility, under  
2.13 provisions approved by the commissioner, pursuant to the requirements of this subdivision.

2.14 (b) Transportation network financial responsibility shall provide the following  
2.15 coverage during the time period starting from the moment a participating driver accepts  
2.16 a ride request on the transportation network company's online-enabled application or  
2.17 platform until the driver completes the transaction on the online-enabled application or  
2.18 platform or until the ride is complete, whichever is later:

2.19 (1) primary coverage insuring against loss resulting from liability imposed by law  
2.20 for injury and property damage sustained by any person arising out of the ownership,  
2.21 maintenance, operation, or use of the motor vehicle pursuant to the requirements of section  
2.22 65B.49, subdivision 3, containing stated limits of liability, exclusive of interests and costs,  
2.23 with respect to each motor vehicle for which coverage is thereby granted, of not less than  
2.24 \$1,000,000 because of bodily injury to one or more persons or injury to or destruction  
2.25 of property of others in any one accident;

2.26 (2) security for the payment of basic economic loss benefits required by section  
2.27 65B.44 pursuant to the priority requirements of section 65B.47. A transportation network  
2.28 company and a participating driver, during the period set forth in this paragraph is deemed  
2.29 to be in the business of transporting persons or property for purposes of section 65B.47,  
2.30 subdivision 1. For purposes of section 65B.47, subdivision 6, the term driver includes a  
2.31 participating driver and a transportation network company;

2.32 (3) separate uninsured motorist coverage and underinsured motorist coverage  
2.33 pursuant to the requirements of section 65B.49, subdivisions 3a and 4a, providing, at a  
2.34 minimum, limits of \$1,000,000 because of injury to or the death of one or more persons  
2.35 in any one accident;

3.1 (4) collision and comprehensive coverage if the participating driver maintains those  
3.2 coverages as a part of the participating driver's motor vehicle insurance, and at the same  
3.3 limits; and

3.4 (5) a duty to defend a participating driver, the transportation network company, and  
3.5 any other insured set forth under the plan of transportation network financial responsibility.

3.6 (c) Transportation network financial responsibility required under this subdivision  
3.7 may be satisfied by either a participating driver or transportation network company,  
3.8 individually or in combination, pursuant to section 65B.48, subject to the additional  
3.9 requirements of this section.

3.10 If satisfied by a participating driver, individually or in combination with the  
3.11 transportation network company, the transportation network company must verify that the  
3.12 plan of transportation network financial responsibility is maintained by the participating  
3.13 driver and is specifically written to cover the participating driver's use of a motor vehicle  
3.14 in connection with a transportation network company's online-enabled application or  
3.15 platform pursuant to the requirements of this section.

3.16 (d) Transportation network financial responsibility provides the following coverage  
3.17 during the time period starting from the moment a participating driver logs on to the  
3.18 transportation network company's online-enabled application or platform until the driver  
3.19 accepts a request to transport a passenger, and from the moment the driver completes  
3.20 the transaction on the online-enabled application or platform or the ride is complete,  
3.21 whichever is later, until the driver either accepts another ride request on the online-enabled  
3.22 application or platform or logs off the online-enabled application or platform:

3.23 (1) primary coverage insuring against loss resulting from liability imposed by law  
3.24 for injury and property damage sustained by any person arising out of the ownership,  
3.25 maintenance, operation, or use of the motor vehicle pursuant to the requirements of  
3.26 section 65B.49, subdivision 3, containing stated limits of liability, exclusive of interest  
3.27 and costs, with respect to each motor vehicle for which coverage is thereby granted, of  
3.28 not less than \$50,000 because of bodily injury to one person in any accident, \$100,000  
3.29 because of bodily injury to two or more persons in any accident, and \$30,000 for injury  
3.30 or destruction of property of others in any one accident;

3.31 (2) security for the payment of basic economic loss benefits required by section  
3.32 65B.44 pursuant to the priority requirements of section 65B.47. A transportation network  
3.33 company and a participating driver, during the period set forth in this paragraph are  
3.34 deemed to be in the business of transporting persons or property for purposes of section  
3.35 65B.47, subdivision 1. For purposes of section 65B.47, subdivision 6, the term driver  
3.36 includes a participating driver and a transportation network company;

4.1 (3) separate uninsured motorist coverage and underinsured motorist coverage  
4.2 pursuant to the requirements of section 65B.49, subdivisions 3a and 4a, providing, at a  
4.3 minimum, limits of \$50,000 because of injury to or the death of one person in any accident  
4.4 and \$100,000 because of injury to or the death of two or more persons in any accident;

4.5 (4) collision and comprehensive coverage if the participating driver maintains those  
4.6 coverages as a part of the participating driver's motor vehicle insurance, and at the same  
4.7 limits; and

4.8 (5) a duty to defend a participating driver, the transportation network company, and  
4.9 any other insured set forth under the plan of transportation network financial responsibility.

4.10 (e) Transportation network financial responsibility required under this subdivision  
4.11 may be satisfied by either a participating driver or transportation network company,  
4.12 individually or in combination, pursuant to section 65B.48, subject to the additional  
4.13 requirements of this subdivision. If satisfied by a participating driver, individually or  
4.14 in combination with the transportation network company, the transportation network  
4.15 company must verify that the plan of transportation network financial responsibility is  
4.16 maintained by the participating driver and is specifically written to cover the participating  
4.17 driver's use of a motor vehicle in connection with a transportation network company's  
4.18 online-enabled application or platform pursuant to the requirements of this section.

4.19 (f) Transportation network financial responsibility must not be dependent upon or  
4.20 require any other insurance to first deny a claim nor must a participating driver's motor  
4.21 vehicle insurance be required to first deny a claim in order to trigger transportation  
4.22 network financial responsibility coverage.

4.23 (g) In every instance where transportation network financial responsibility  
4.24 maintained by a participating driver has been canceled, nonrenewed, lapsed, or is  
4.25 otherwise not in force pursuant to the requirements of this section, the transportation  
4.26 network company shall provide the transportation network financial responsibility  
4.27 required by this section on a primary basis beginning with the first dollar of a claim.

4.28 (h) A plan of transportation network financial responsibility required by this section  
4.29 can be purchased from an insurer authorized to write insurance in this state under section  
4.30 60A.07, or from a surplus lines insurer authorized to write insurance under section 60A.07  
4.31 or sections 60A.195 to 60A.2095.

4.32 **Subd. 4. Participating driver's motor vehicle insurance.** (a) This section does  
4.33 not require a participating driver's motor vehicle insurance to provide primary or excess  
4.34 coverage of any kind, including basic economic loss benefits, during the time period  
4.35 starting from the moment a participating driver in a transportation network company logs  
4.36 on to the transportation network company's online-enabled application or platform until

5.1 the driver logs off the online-enabled application or platform or the passenger exits the  
5.2 motor vehicle, whichever is later.

5.3 (b) During the period of time from the moment a participating driver of a  
5.4 transportation network company logs on to the transportation network company's  
5.5 online-enabled application or platform until the driver logs off the online-enabled  
5.6 application or platform or until the passenger exits the motor vehicle, whichever is later,  
5.7 all of the following apply:

5.8 (1) the participating driver's motor vehicle insurance must not provide any coverage  
5.9 to the participating driver, motor vehicle owner, transportation network company, or any  
5.10 third party, including basic economic loss benefits, unless that policy expressly provides  
5.11 for transportation network financial responsibility coverage during the period of time to  
5.12 which this subdivision is applicable, with or without a separate charge, or that policy  
5.13 contains an amendment or endorsement expressly to provide transportation network  
5.14 financial responsibility, for which a separately stated premium may be charged; and

5.15 (2) the participating driver's motor vehicle insurance does not have the duty to  
5.16 defend the transportation network company or a participating driver for liabilities arising  
5.17 by law in connection with the transportation network company, unless that policy  
5.18 expressly provides that duty to defend for the period of time to which this subdivision  
5.19 is applicable, with or without a separate charge, or that policy contains an amendment  
5.20 or endorsement to expressly provide that duty to defend, for which a separately stated  
5.21 premium may be charged.

5.22 (c) Notwithstanding any other law, an insurer providing motor vehicle insurance  
5.23 may, in its discretion, offer transportation network financial responsibility coverage, or an  
5.24 amendment or endorsement to an existing policy that covers a motor vehicle while used  
5.25 in connection with a transportation network company's online-enabled application or  
5.26 platform, but only if the policy expressly provides for the coverage during the time period  
5.27 specified in this subdivision, with or without a separate charge, or the policy contains an  
5.28 amendment or an endorsement to provide that coverage, for which a separately stated  
5.29 premium may be charged.

5.30 Subd. 5. **Cooperation.** In a claims coverage investigation, a transportation network  
5.31 company, participating driver and its insurer shall cooperate with other insurers that are  
5.32 involved in the claims coverage investigation to facilitate the exchange of information,  
5.33 including the provision of dates and times at which an accident occurred that involved a  
5.34 participating driver and the precise times that the participating driver logged on and off the  
5.35 transportation network company's online-enabled application or platform.

6.1            Subd. 6. **Proof of insurance.** A participating driver shall carry proof of  
6.2 transportation network financial responsibility at all times during use of a motor vehicle  
6.3 in connection with a transportation network company's online-enabled application or  
6.4 platform. In the event of an accident, a participating driver shall provide this information  
6.5 to any other party involved in the accident, and to a police officer, upon request.

6.6            Subd. 7. **Exclusive.** Notwithstanding any other law, this chapter determines  
6.7 the obligations of financial responsibility for transportation network companies and,  
6.8 if applicable, a participating driver's use of a motor vehicle in connection with a  
6.9 transportation network company's online-enabled application or platform.

6.10          Sec. 2. Minnesota Statutes 2014, section 65B.64, subdivision 2, is amended to read:

6.11            **Subd. 2. Indemnification and subrogation rights.** If a claim qualifies for  
6.12 assignment under subdivision 1, the assigned claims bureau or any reparation obligor to  
6.13 whom the claim is assigned shall have the right to seek indemnification from an uninsured  
6.14 tortfeasor. Except as otherwise provided in section 340A.801, subdivision 4, the reparation  
6.15 obligor to whom the claim is assigned shall further be subrogated to all of the rights of the  
6.16 claimant against any person for economic loss benefits provided by the obligor to whom  
6.17 the claim was assigned, including a transportation network company or participating  
6.18 driver required to provide basic economic loss benefits pursuant to section 65B.472.