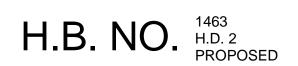
A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1	SECTION 1. The Hawaii Revised Statutes is amended by
2	adding a new chapter to be appropriately designated and to read
3	as follows:
4	"CHAPTER
5	TRANSPORTATION NETWORK COMPANIES
6	§ -1 Definitions. As used in this chapter, the
7	following terms shall mean as follows:
8	"Personal vehicle" means a motor vehicle that is:
9	(1) Used by a transportation network company driver to
10	provide a prearranged ride;
11	(2) Owned, leased, or otherwise authorized for use by the
12	transportation network company driver; and
13	(3) Not a taxicab, limousine, or other hire vehicle.
14	"Digital network" means any online-enabled application,
15	software, website, or system offered or used by a transportation
16	network company that enables the prearrangement of rides with
17	transportation network company drivers.





1 "Transportation network company" means a corporation, 2 partnership, sole proprietorship, or other entity that is 3 licensed in this State that uses a digital network to connect 4 transportation network company riders to transportation network 5 company drivers who provide prearranged rides. A transportation 6 network company shall not be deemed to control, direct, or 7 manage the personal vehicles or transportation network company 8 drivers that connect to its digital network, except where agreed 9 by written contract. 10 "Transportation network company driver" or "driver" means 11 an individual who: 12 Receives connections to potential riders and related (1)13 services from a transportation network company in 14 exchange for payment of a fee to the transportation 15 network company; and 16 (2) Uses a personal vehicle to offer or provide a 17 prearranged ride to transportation network company 18 riders upon connection through a digital network 19 controlled by a transportation network company and in 20 exchange for compensation or payment of a fee.

HB1463 HD2 PROPOSED LRB 16-0696.doc



1	"Transportation network company rider" or "rider" means a					
2	person wh	o uses a transportation network company's digital				
3	network to connect with a transportation network driver who					
4	provides prearranged rides to the rider in the driver's personal					
5	vehicle between points chosen by the rider.					
6	"Prearranged ride" means the provision of transportation by					
7	a transportation network company driver to a transportation					
8	network company rider:					
9	(1)	Beginning when a transportation network company driver				
10		accepts a transportation network company rider's				
11		request for a ride through a digital network				
12		controlled by a transportation network company;				
13	(2)	Continuing while the transportation network company				
14		driver transports the requesting transportation				
15		network company rider; and				
16	(3)	Ending when the requesting transportation network				
17		company rider departs from the personal vehicle.				
18	The	term "prearranged ride" does not include transportation				
19	provided	through:				
20	(1)	Shared expense carpool or vanpool arrangements;				

HB1463 HD2 PROPOSED LRB 16-0696.doc

H.B. NO. ¹⁴⁶³ H.D. 2 PROPOSED

1	(2)	The use of a taxicab, limousine, or other hire				
2		vehicle; or				
3	(3)	A regional transportation.				
4	Ş	-2 Transportation network companies. (a) No				
5	transport	ation network company shall operate within the State				
6	without a permit issued by the public utilities commission. The					
7	permit shall be valid for one year after the date of issuance;					
8	provided that the permit shall not entitle its holder to present					
9	itself as:					
10	(1)	A common carrier;				
11	(2)	A contract carrier; or				
12	(3)	A motor carrier.				
13	(b)	The department shall issue a permit to a				
14	transport	ation network company that:				
15	(1)	Establishes a zero tolerance policy for drug and				
16		alcohol;				
17	(2)	Requires its drivers to comply with applicable vehicle				
18		requirements;				
19	(3)	Adopts nondiscrimination and accessibility policies;				
20		and				
21	(4)	Establishes record maintenance guidelines.				



1	(c)	Befoi	re a transportation network company allows an	
2	individual to act as a transportation network company driver on			
3	the transportation network company's digital network, the			
4	transportation network company shall:			
5	(1)	Require the individual to submit to the transportation		
6		netwo	ork company an application that includes:	
7		(A)	The individual's name, address, and age;	
8		(B)	The individual's driver's license number;	
9		(C)	The registration number for the personal vehicle	
10			that the individual will use to provide	
11			prearranged rides;	
12		(D)	Proof of financial responsibility for the	
13			personal vehicle of a type and in the amounts	
14			required by the transportation network company;	
15			and	
16		(E)	Any other information required by the	
17			transportation network company;	
18	(2)	With	respect to the individual:	
19		(A)	Conduct a state and national criminal background	
20			check; and	

1		(B)	Sear	ch the state and national sex offender
2			regis	stries; and
3		(C)	Obta	in a copy of the individual's driving record.
4	(d)	No t	ranspo	ortation network company shall knowingly
5	allow a p	erson	to ac	ct as a transportation network company driver
6	on the tr	anspo	rtatio	on network company's digital network:
7	(1)	Who	has be	een convicted of:
8		(A)	More	than three moving violations in the
9			prece	eding three years; or
10		(B)	At le	east one moving violation involving reckless
11			driv	ing or driving on a suspended or revoked
12			licer	nse in the preceding three years; or
13	(2)	Who	has be	een convicted in the preceding seven years of
14		any	of the	e following offenses:
15		(A)	Felor	ny; or
16		(B)	Misd	emeanor involving:
17			(i)	Resisting law enforcement;
18			(ii)	Dishonesty;
19		(iii)	Injury to a person;
20			(iv)	Operating while intoxicated;

1	(v)	Operating a vehicle in a manner that
2		endangers a person; or
3	(vi)	Operating a vehicle with a suspended or
4		revoked license; or
5	(vii)	Damage to the property of another person; or
6	(3) Who is a	match in the state or national sex offender
7	registry;	
8	(4) Who is ur	nable to provide information required under
9	subsectio	on (c)(2).
10	(e) A transpo	ortation network company shall establish and
11	enforce a zero tole	erance policy for drug and alcohol use by
12	transportation netw	work company drivers during any period when a
13	transportation netw	work company driver is engaged in, or is
14	logged into, the tr	cansportation network company's digital
15	network, but is not	engaged in a prearranged ride. The policy
16	shall include provi	isions for:
17	(1) Investiga	ations of alleged policy violations; and
18	(2) Suspensio	ons of transportation network company drivers
19	under inv	vestigation.
20	(f) A transpo	ortation network company shall require that a
21	personal vehicle us	sed to provide prearranged rides shall comply

HB1463 HD2 PROPOSED LRB 16-0696.doc

with all applicable laws and regulations concerning vehicle
 equipment.

\$ -3 Financial responsibility of transportation network
4 companies. (a) A transportation network company driver or
5 transportation network company on the driver's behalf shall
6 maintain primary motor vehicle insurance that recognizes that
7 the driver is a transportation network company driver or
8 otherwise uses a vehicle to transport riders for compensation
9 and covers the driver:

10 (1) While the driver is logged on to the transportation
11 network company's digital network; or

12 (2) While the driver is engaged in a prearranged ride.

(b) The following motor vehicle insurance requirements shall apply while a participating transportation network company driver is logged on to the transportation network company's digital network and is available to receive transportation requests, but is not engaged in a prearranged ride: (1) Primary motor vehicle liability insurance in the

- 19 amount of at least:
- 20

(A) \$50,000 for death and bodily injury per person;

HB1463 HD2 PROPOSED LRB 16-0696.doc

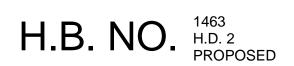
1		(B) \$100,000 for death and bodily injury per
2		incident; and
3		(C) \$25,000 for property damage; and
4	(2)	The coverage requirements of this subsection may be
5		satisfied by any of the following:
6		(A) Motor vehicle insurance maintained by the
7		transportation network company driver;
8		(B) Motor vehicle insurance maintained by the
9		transportation network company; or
10		(C) Any combination of subparagraphs (A) and (B).
11	(C)	The following automobile insurance requirements shall
12	apply whi	e a transportation network company driver is engaged
13	in a prea	ranged ride:
14	(1)	Primary motor vehicle liability insurance that
15		provides at least \$1,000,000 for death, bodily injury,
16		and property damage;
17	(2)	The coverage requirements of this subsection may be
18		satisfied by any of the following:
19		(A) Automobile insurance maintained by the
20		transportation network company driver;

H.B. NO. ¹⁴⁶³ H.D. 2 PROPOSED

1	(B) Motor vehicle insurance maintained by the
2	transportation network company; or
3	(C) Any combination of subparagraphs (A) and (B).
4	(d) If the insurance maintained by driver under subsection
5	(b) or (c) has lapsed or does not provide the required coverage,
6	the transportation network company shall maintain insurance that
7	provides the coverage required under this section, beginning
8	with the first dollar of a claim and have the duty to defend the
9	claim.
10	(e) Coverage under a motor vehicle insurance policy
11	maintained by the transportation network company shall not be
12	dependent upon a personal motor vehicle insurer first denying a
13	claim nor shall a personal motor vehicle insurance policy be
14	required to first deny a claim.

(f) Insurance required under this section may be placed with an insurer licensed by the insurance commissioner or with surplus lines insurer eligible under the insurance code that has a credit rating of no less than "A-" from A.M. Best or "A" from Demotech or a similar rating from another rating agency recognized by the insurance commissioner.

HB1463 HD2 PROPOSED LRB 16-0696.doc



1 Insurance satisfying the requirements of this section (a) 2 shall be deemed to satisfy the financial responsibility 3 requirements for a motor vehicle under chapter 287. 4 (h) A transportation network company driver shall carry 5 proof of coverage satisfying subsections (b) and (c) on the 6 person at all times during the use of a vehicle in connection 7 with a transportation network company's digital network. In the 8 event of an accident, a transportation network company driver 9 shall provide this insurance coverage information to the 10 directly interested parties, motor vehicle insurers, and 11 investigating police officers, upon request. Upon the request, 12 a transportation network company driver shall also disclose to 13 directly interested parties, motor vehicle insurers, and 14 investigating police officers, whether the driver was logged on 15 to the transportation network company's digital network or on a 16 prearranged ride at the time of the accident. 17 -4 Disclosures from company to driver. The S

18 transportation network company shall disclose in writing to 19 transportation network company drivers the following information 20 before the drivers are allowed to accept a request for a

HB1463 HD2 PROPOSED LRB 16-0696.doc

1 prearranged ride on the transportation network company's digital
2 network:

3 (1) The insurance coverage, including the types of
4 coverage and the limits for each coverage, that the
5 transportation network company provides while the
6 transportation network company driver uses a personal
7 vehicle in connection with a transportation network
8 company's digital network; and

9 (2) That the transportation network company driver's own
10 motor vehicle insurance policy might not provide any
11 coverage while the driver is logged on to the
12 transportation network company's digital network and
13 is available to receive transportation requests or is
14 engaged in a prearranged ride, depending upon its
15 terms.

16 § -5 Motor vehicle insurance provisions. (a)
17 Notwithstanding chapter 431, article 10C, insurers that write
18 motor vehicle insurance in the State may exclude any and all
19 coverage afforded under the policy issued to an owner or
20 operator of a personal vehicle for any loss or injury that
21 occurs while a driver is logged on to a transportation network



1 company's digital network or while a driver provides a 2 prearranged ride. This right to exclude all coverage may apply to any coverage included in a motor vehicle insurance policy 3 4 including: 5 Liability coverage for bodily injury and property (1)6 damage; 7 (2) Personal injury protection coverage; 8 (3) Uninsured and underinsured motorist coverage; and 9 (4) Collision damage coverage. 10 The exclusions shall apply notwithstanding any contrary 11 requirement under chapter 287 or chapter 431, article 10C. 12 Nothing in this section implies or requires that a personal 13 motor vehicle insurance policy provide coverage while the driver 14 is logged on to the transportation network company's digital 15 network, while the driver is engaged in a prearranged ride, or 16 while the driver otherwise uses a vehicle to transport riders 17 for compensation.

18 (b) Nothing in this chapter shall be construed to require
19 an insurer to use any specific policy language or reference to
20 this section in order to exclude any and all coverage for any
21 loss or injury that occurs while a driver is logged on to a

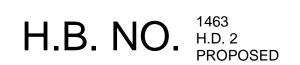
transportation network company's digital network or while a
 driver provides a prearranged ride.

3 (c) Nothing in this chapter shall be deemed to preclude an
4 insurer from providing primary or excess coverage for the
5 transportation network company driver's vehicle, if it so
6 chooses, by contract or endorsement.

7 (d) Motor vehicle insurers that exclude the coverage 8 described in section -3 shall have no duty to defend or 9 indemnify any claim expressly excluded thereunder. Nothing in 10 this chapter shall be deemed to invalidate or limit an exclusion contained in a policy, including any policy in use or approved 11 for use in this State prior to the enactment of this chapter 12 13 that excludes coverage for vehicles used to carry persons or 14 property for a charge or available for hire by the public.

(e) A motor vehicle insurer that defends or indemnifies a claim against a driver that is excluded under the terms of its policy shall have a right of contribution against other insurers that provide motor vehicle insurance to the same driver in satisfaction of the coverage requirements of section -3 at the time of loss.





1 In a claims coverage investigation, transportation (f) 2 network companies shall immediately provide, upon request by directly involved parties or any insurer of the transportation 3 network company driver if applicable, the precise times that a 4 5 transportation network company driver logged on and off of the 6 transportation network company's digital network in the twelve-7 hour period immediately preceding, and in the twelve-hour period 8 immediately following, the accident. Insurers potentially 9 providing coverage as set forth in section -3 shall disclose, 10 upon request by any other insurer involved in the particular 11 claim, the applicable coverages, exclusions, and limits provided under any automobile insurance maintained in order to satisfy 12 13 the requirements of section -3."

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

17

SECTION 3. This Act shall take effect on July 1, 2016.





Report Title:

Transportation Network Companies; Permits; Insurance

Description:

Adopts the NCOIL model act to regulate transportation network companies and their drivers, by requiring companies to obtain permits to operate from the PUC, requiring companies and their drivers to meet financial responsibility requirements, and allowing motor vehicle insurers to exclude coverage for motor vehicles when in use for a transportation network company. (HB1463 HD2 Proposed)

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