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**SUBSTITUTE HOUSE BILL 2131**

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**State of Washington                      64th Legislature                      2015 Regular Session**

**By** House Business & Financial Services (originally sponsored by Representative Kirby)

READ FIRST TIME 02/20/15.

1            AN ACT Relating to insurance for providers of commercial  
2 transportation services; and adding a new chapter to Title 48 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4            NEW SECTION.    **Sec. 1.** This act may be known and cited as the  
5 insurance for providers of commercial transportation services act.

6            NEW SECTION.    **Sec. 2.** The definitions in this section apply  
7 throughout this chapter unless the context clearly requires  
8 otherwise.

9            (1) "Commercial transportation services" or "services" means all  
10 times the driver is logged in to a commercial transportation services  
11 provider's digital network or software application or until the  
12 passenger has left the personal vehicle, whichever is later.

13            (2) "Commercial transportation services provider" means a  
14 corporation, partnership, sole proprietorship, or other entity,  
15 operating in Washington, that uses a digital network or software  
16 application to connect passengers to drivers for the purpose of  
17 providing a prearranged ride.

18            (3) "Driver" means an individual who uses a personal vehicle to  
19 provide services for passengers matched through a commercial  
20 transportation services provider's digital network or software

1 application. A driver need not be an employee of a commercial  
2 transportation services provider.

3 (4) "Passenger" means a passenger in a personal vehicle for whom  
4 transport is provided, including:

5 (a) An individual who uses a commercial transportation services  
6 provider's digital network or software application to connect with a  
7 driver to obtain services in the driver's vehicle for the individual  
8 and anyone in the individual's party; or

9 (b) Anyone for whom another individual uses a commercial  
10 transportation services provider's digital network or software  
11 application to connect with a driver to obtain services in the  
12 driver's vehicle.

13 (5) "Personal vehicle" means a vehicle that is used by a driver  
14 in connection with providing services for a commercial transportation  
15 services provider.

16 (6) "Prearranged ride" means a route of travel between points  
17 chosen by the passenger and arranged with a driver through the use of  
18 a commercial transportation services provider's digital network or  
19 software application. The ride begins when a driver accepts a  
20 requested ride through a digital network or software application,  
21 continues while the driver transports the passenger in a personal  
22 vehicle, and ends when the passenger departs from the personal  
23 vehicle.

24 NEW SECTION. **Sec. 3.** (1)(a) Before being used to provide  
25 commercial transportation services, every personal vehicle must be  
26 covered by a primary automobile insurance policy that specifically  
27 covers commercial transportation services. Except as provided in  
28 subsection (2) of this section, a commercial transportation services  
29 provider must secure this policy for every personal vehicle used to  
30 provide commercial transportation services. For purposes of this  
31 section, a "primary automobile insurance policy" is not a private  
32 passenger automobile insurance policy.

33 (b) The primary automobile insurance policy required under this  
34 section must provide coverage, as specified in this subsection  
35 (1)(b), at all times the driver is logged in to a commercial  
36 transportation provider's digital network or software application and  
37 at all times a passenger is in the vehicle as part of a prearranged  
38 ride.

1 (i)(A) Liability coverage, while providing commercial  
2 transportation services applicable during the period before a driver  
3 accepts a requested ride through a digital network or software  
4 application, in an amount no less than fifty thousand dollars per  
5 person for bodily injury, one hundred thousand dollars per accident  
6 for bodily injury of all persons, and thirty thousand dollars for  
7 damage to property;

8 (B) Uninsured motorist coverage and underinsured motorist  
9 coverage in the amount of no less than fifty thousand dollars per  
10 person for bodily injury and one hundred thousand dollars per  
11 accident for bodily injury of all persons;

12 (C) Personal injury protection coverage pursuant to RCW  
13 48.22.095; and

14 (D) Comprehensive and collision coverage with a maximum  
15 deductible of five hundred dollars.

16 (ii) The primary automobile insurance policy required under this  
17 subsection must provide the following coverages, applicable during  
18 the period of a prearranged ride:

19 (A) Combined single limit liability coverage in the amount of one  
20 million dollars for death, personal injury, and property damage;

21 (B) Uninsured motorist coverage and underinsured motorist  
22 coverage in the amount of one million dollars;

23 (C) Personal injury protection coverage pursuant to RCW  
24 48.22.095; and

25 (D) Comprehensive and collision coverage with a maximum  
26 deductible of five hundred dollars.

27 (2)(a) As an alternative to the provisions of subsection (1) of  
28 this section, if the office of the insurance commissioner approves  
29 the offering of an insurance policy that recognizes that a person is  
30 acting as a provider of commercial transportation services and using  
31 a personal vehicle to provide commercial transportation services, a  
32 driver may secure a primary automobile insurance policy covering a  
33 personal vehicle and providing the same coverage as required in  
34 subsection (1) of this section. The policy coverage may be in the  
35 form of a rider to, or endorsement of, the driver's private passenger  
36 automobile insurance policy only if approved as such by the office of  
37 the insurance commissioner.

38 (b) If the primary automobile insurance policy maintained by a  
39 driver to meet the obligation of this section does not provide  
40 coverage for any reason, including that the policy lapsed or did not

1 exist, the commercial transportation services provider must provide  
2 the coverage required under this section beginning with the first  
3 dollar of a claim.

4 (c) The primary automobile insurance policy required under this  
5 subsection and subsection (1) of this section may be secured by any  
6 of the following:

7 (i) The commercial transportation services provider as provided  
8 in subsection (1) of this section;

9 (ii) The driver as provided under (a) of this subsection; or

10 (iii) A combination of both the commercial transportation  
11 services provider and the driver.

12 (3) The insurer or insurers providing coverage under subsections  
13 (1) and (2) of this section are the only insurers having the duty to  
14 defend any liability claim from an accident occurring while  
15 commercial transportation services are being provided.

16 (4) If a driver purchases a primary automobile insurance policy  
17 as allowed under subsection (2) of this section, the commercial  
18 transportation services provider must verify that the driver has done  
19 so.

20 (5) A primary automobile insurance policy required under  
21 subsection (1) or (2) of this section may be placed with an insurer  
22 licensed under this title to provide insurance in the state of  
23 Washington or as an eligible surplus line insurance policy as  
24 described in RCW 48.15.040.

25 (6) This section does not require a private passenger automobile  
26 insurance policy to provide primary or excess coverage or a duty to  
27 defend for the period of time in which a driver is logged in to a  
28 commercial transportation services provider's digital network or  
29 software application or while a passenger is in the vehicle.

30 (7)(a) A commercial transportation services provider must make  
31 the following disclosures to a prospective driver in the prospective  
32 driver's terms of service:

33 WHILE OPERATING ON THE COMMERCIAL TRANSPORTATION SERVICES  
34 PROVIDER'S DIGITAL NETWORK OR SOFTWARE APPLICATION, YOUR PRIVATE  
35 PASSENGER AUTOMOBILE INSURANCE POLICY MIGHT NOT AFFORD LIABILITY,  
36 UNDERINSURED MOTORIST, PERSONAL INJURY PROTECTION, COMPREHENSIVE, OR  
37 COLLISION COVERAGE, DEPENDING ON THE TERMS OF THE POLICY.

38 IF THE VEHICLE THAT YOU PLAN TO USE TO PROVIDE COMMERCIAL  
39 TRANSPORTATION SERVICES HAS A LIEN AGAINST IT, YOU MUST NOTIFY THE

1 LIENHOLDER THAT YOU WILL BE USING THE VEHICLE FOR COMMERCIAL  
2 TRANSPORTATION SERVICES THAT MAY VIOLATE THE TERMS OF YOUR CONTRACT  
3 WITH THE LIENHOLDER.

4 (b) The prospective driver must acknowledge the terms of service  
5 electronically or by signature.

6 (8) If more than one insurance policy provides valid and  
7 collectible coverage for a loss arising out of an occurrence  
8 involving a motor vehicle operated by a driver, the responsibility  
9 for the claim must be divided as follows:

10 (a) Except as provided otherwise under subsection (2)(c) of this  
11 section, if the driver has been matched with a passenger and is  
12 traveling to pick up the passenger, or the driver is providing  
13 services to a passenger, the commercial transportation services  
14 provider that matched the driver and passenger must provide insurance  
15 coverage; or

16 (b) If the driver is logged in to more than one commercial  
17 transportation services provider's digital network or software  
18 application but has not been matched with a passenger, the liability  
19 must be divided equally among all of the applicable insurance  
20 policies that specifically provide coverage for commercial  
21 transportation services.

22 (9) In an accident or claims coverage investigation, a commercial  
23 transportation services provider or its insurer must cooperate with a  
24 private passenger automobile insurance policy insurer and other  
25 insurers that are involved in the claims coverage investigation to  
26 facilitate the exchange of information, including the provision of  
27 (a) dates and times at which an accident occurred that involved a  
28 participating driver and (b) within ten business days after receiving  
29 a request, a copy of the company's electronic record showing the  
30 precise times that the participating driver logged on and off the  
31 commercial transportation services provider's digital network or  
32 software application on the day the accident or other loss occurred.  
33 The commercial transportation services provider or its insurer must  
34 retain all data, communications, or documents related to insurance  
35 coverage or accident details for a period of not less than the  
36 applicable statutes of limitation, plus two years from the date of an  
37 accident to which those records pertain.

38 (10) This section does not modify or abrogate any otherwise  
39 applicable insurance requirement set forth in this title.

1           (11) After July 1, 2016, an insurance company regulated under  
2 this title may not deny an otherwise covered claim arising  
3 exclusively out of the personal use of the private passenger  
4 automobile solely on the basis that the insured, at other times, used  
5 the private passenger automobile covered by the policy to provide  
6 commercial transportation services.

7           NEW SECTION.     **Sec. 4.**     Sections 1 through 3 of this act  
8 constitute a new chapter in Title 48 RCW.

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