

**House File 350 - Introduced**

HOUSE FILE 350

BY NORDMAN

**A BILL FOR**

1 An Act relating to automobile insurance required for

2 transportation network company drivers.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321N.4, Code 2021, is amended to read as  
2 follows:

3 **321N.4 Financial responsibility.**

4 1. A transportation network company driver, or a  
5 transportation network company on the driver's behalf, shall  
6 maintain primary automobile insurance that does all of the  
7 following:

8 a. Recognizes that the driver is a transportation network  
9 company driver or that the driver otherwise uses a motor  
10 vehicle to transport passengers for compensation.

11 b. Covers the driver while the driver is logged on to the  
12 transportation network company's digital network and while the  
13 driver is engaged in a prearranged ride.

14 c. Covers the driver in the amounts set forth in subsections  
15 subsection 2 and 3.

16 ~~2. a. While a participating transportation network company~~  
17 ~~driver is logged on to a transportation network company's~~  
18 ~~digital network and is available to receive requests for a~~  
19 ~~prearranged ride, but is not engaged in a prearranged ride,~~  
20 ~~primary automobile insurance maintained pursuant to paragraph~~  
21 ~~"c" shall cover the driver in the amount of at least fifty~~  
22 ~~thousand dollars because of bodily injury to or death of one~~  
23 ~~person in any one accident, the amount of at least one hundred~~  
24 ~~thousand dollars because of bodily injury to or death of two~~  
25 ~~or more persons in any one accident, and the amount of at~~  
26 ~~least twenty-five thousand dollars because of injury to or~~  
27 ~~destruction of property of others in any one accident.~~

28 ~~b. The requirements of paragraph "a" shall be in addition to~~  
29 ~~the automobile insurance requirements set forth in chapter 516A~~  
30 ~~or any other provision of law.~~

31 ~~c. The requirements of paragraph "a" may be satisfied by any~~  
32 ~~of the following:~~

33 ~~(1) Insurance maintained by the transportation network~~  
34 ~~company driver.~~

35 ~~(2) Insurance maintained by the transportation network~~

1 ~~company.~~

2 ~~(3) A combination of subparagraphs (1) and (2).~~

3 ~~3.~~ 2. *a.* While a transportation network company driver  
4 is engaged in a prearranged ride, or is logged on to a  
5 transportation network company's digital network and is  
6 available to receive requests for a prearranged ride but is not  
7 engaged in a prearranged ride, primary automobile insurance  
8 maintained pursuant to paragraph "c" shall cover the driver in  
9 the amount of at least one million dollars because of bodily  
10 injury to or death of one or more persons and injury to or  
11 destruction of property of others in any one accident.

12 *b.* The requirements of paragraph "a" shall be in addition to  
13 the automobile insurance requirements set forth in [chapter 516A](#)  
14 or any other provision of law.

15 *c.* The requirements of paragraph "a" may be satisfied by any  
16 of the following:

17 (1) Insurance maintained by the transportation network  
18 company driver.

19 (2) Insurance maintained by the transportation network  
20 company.

21 (3) A combination of subparagraphs (1) and (2).

22 ~~4.~~ 3. If insurance maintained by a transportation network  
23 company driver under [this chapter](#) lapses or does not provide  
24 coverage in the amounts required by ~~subsections~~ subsection 2  
25 ~~and 3,~~ insurance maintained by a transportation network company  
26 shall provide coverage in the amounts required by ~~subsections~~  
27 subsection 2 and 3 beginning with the first dollar of a claim,  
28 and the company shall have a duty to defend the claim.

29 ~~5.~~ 4. Coverage under an automobile insurance policy  
30 maintained by a transportation network company under this  
31 chapter shall not be dependent on the insurer of a driver's  
32 personal vehicle first denying a claim, nor shall a personal  
33 automobile insurance policy be required to first deny a claim.

34 ~~6.~~ 5. Insurance maintained under [this chapter](#) shall be  
35 provided by an insurer governed by [chapter 515](#), or by a surplus

1 lines insurer governed by [chapter 515I](#).

2 ~~7.~~ 6. Insurance maintained under [this chapter](#) shall be  
3 deemed to satisfy the financial responsibility requirements for  
4 a motor vehicle under [chapter 321A](#).

5 ~~8.~~ 7. A transportation network company driver shall carry  
6 proof of financial liability coverage, as required by section  
7 321.20B, in the amounts required by ~~subsections~~ subsection  
8 ~~2 and 3~~, at all times during which the driver uses a motor  
9 vehicle in connection with the use of a transportation network  
10 company's digital network. In the event of an accident, the  
11 driver shall provide proof of financial liability coverage  
12 to any directly interested party or insurer, and to any  
13 investigating police officer, upon request and in a format  
14 provided for under [section 321.20B](#). Upon such a request, the  
15 driver shall also disclose to any directly interested party  
16 or insurer, and to any investigating police officer, whether  
17 the driver was logged on to a company's digital network or was  
18 providing a prearranged ride at the time of the accident.

19

EXPLANATION

20           The inclusion of this explanation does not constitute agreement with  
21           the explanation's substance by the members of the general assembly.

22       Under current law, while a transportation network company  
23 (TNC) driver is logged on to a TNC's digital network and is  
24 available to receive requests for a prearranged ride, but is  
25 not engaged in a prearranged ride, primary automobile insurance  
26 must cover the TNC driver in the amount of at least \$50,000  
27 because of bodily injury to or death of one person in any one  
28 accident, at least \$100,000 because of bodily injury to or  
29 death of two or more persons in any one accident, and at least  
30 \$25,000 because of injury to or destruction of property of  
31 others in any one accident. While a TNC driver is engaged in  
32 a prearranged ride, primary automobile insurance must cover  
33 the TNC driver in the amount of at least \$1 million because of  
34 bodily injury to or death of one or more persons and injury to  
35 or destruction of property of others in any one accident.

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1 This bill requires primary automobile insurance to cover  
2 the TNC driver in the amount of at least \$1 million because of  
3 bodily injury to or death of one or more persons and injury to  
4 or destruction of property of others in any one accident while  
5 the TNC driver is logged on to a TNC's digital network and is  
6 available to receive requests for a prearranged ride, but is  
7 not engaged in a prearranged ride.