

**House Study Bill 102 - Introduced**

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE  
ON COMMERCE BILL BY  
CHAIRPERSON LUNDGREN)

**A BILL FOR**

1 An Act providing for the regulation of delivery network  
2 companies and drivers, making penalties applicable, and  
3 including effective date provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321.518, Code 2023, is amended to read  
2 as follows:

3 **321.518 On-demand driverless-capable vehicle network.**

4 A person may operate an on-demand driverless-capable  
5 vehicle network. An on-demand driverless-capable vehicle  
6 network may be used to facilitate the transportation of persons  
7 or goods, including transportation for hire as defined in  
8 section 325A.1, and public transportation. An on-demand  
9 driverless-capable vehicle network may connect ~~passengers~~  
10 persons to driverless-capable vehicles either exclusively or as  
11 part of a digital network that also connects ~~passengers~~ persons  
12 to conventional human drivers who provide transportation or  
13 delivery services, consistent with chapter 321N or 321P,  
14 or any other applicable laws, in vehicles that are not  
15 driverless-capable vehicles.

16 Sec. 2. NEW SECTION. **321P.1 Definitions.**

17 As used in this chapter:

18 1. *"Delivery available period"* means the period when a  
19 driver is logged on to a digital network and is available  
20 to receive requests to provide delivery services but is not  
21 providing delivery services or operating in the delivery  
22 service period.

23 2. *"Delivery network company"* or *"company"* means a  
24 corporation, partnership, sole proprietorship, or other entity  
25 that operates in this state and uses a digital network to  
26 connect a delivery network company customer to a delivery  
27 network driver to provide delivery services. A company is not  
28 deemed to control, direct, or manage a delivery network driver  
29 that connects to its digital network, or the driver's personal  
30 vehicle, except as agreed to by the company and the driver  
31 pursuant to a written contract.

32 3. *"Delivery network company customer"* or *"customer"* means a  
33 person who uses a delivery network company's digital network to  
34 request the delivery of goods.

35 4. *"Delivery network driver"* or *"driver"* means an individual

1 who does all of the following:

2     *a.* Receives delivery service requests from a delivery  
3 network company's digital network.

4     *b.* Uses a personal vehicle to provide delivery services.

5     5. "*Delivery service*" means the fulfillment of a delivery  
6 request by a driver to a customer during the delivery service  
7 period. "*Delivery service*" includes a series of deliveries made  
8 by a driver to different customers.

9     6. "*Delivery service period*" means the period between a  
10 driver accepting a request to deliver goods and the delivery  
11 of such goods. "*Delivery service period*" begins when a driver  
12 starts operating a personal vehicle en route to pick up goods  
13 for a delivery or series of deliveries as documented by the  
14 digital network controlled by a delivery network company.  
15 "*Delivery service period*" includes the period during which the  
16 driver transports the requested goods for delivery, and ends  
17 upon delivery of the requested goods to any of the following:

18     *a.* The customer or the last customer in a series of  
19 deliveries.

20     *b.* A location designated by the delivery network company,  
21 including for purposes of returning the goods.

22     7. "*Digital network*" means an online-enabled application,  
23 internet site, or system offered or utilized by a delivery  
24 network company that enables delivery services.

25     8. "*Financial liability coverage*" means the same as defined  
26 in section 321.1, subsection 24B.

27     9. "*Personal vehicle*" means a noncommercial motor vehicle  
28 that is used by a delivery network driver and is owned, leased,  
29 or otherwise authorized for use by the delivery network driver.  
30 "*Personal vehicle*" does not include a taxicab, limousine, or  
31 other vehicle for hire.

32     Sec. 3. NEW SECTION. 321P.2 Interaction with other law.

33     Nothing in this chapter limits the scope of federal or state  
34 law regarding delivery or transport of goods. Deliveries made  
35 under this chapter that are subject to such other law must also

1 comply with the requirements of that law. In the event of a  
2 conflict between this chapter and another law dealing with the  
3 delivery or transport of goods, the other law prevails.

4 Sec. 4. NEW SECTION. 321P.3 **Financial responsibility.**

5 1. A delivery network driver, or a delivery network company  
6 on the driver's behalf, shall maintain financial liability  
7 coverage that does all of the following:

8 a. Recognizes that the driver is a delivery network driver  
9 or that the driver otherwise uses a personal motor vehicle to  
10 deliver goods.

11 b. Covers the driver during both the delivery available  
12 period and the delivery service period.

13 c. Covers the driver in the amounts set forth in subsection  
14 2.

15 2. a. During the delivery service period and delivery  
16 available period, as applicable, financial liability coverage  
17 shall cover the driver in the amount of at least fifty thousand  
18 dollars for damages arising out of bodily injury to or death  
19 of any one person in a crash or collision, at least one hundred  
20 thousand dollars for damages arising out of bodily injury to  
21 or death of two or more persons in a crash or collision, and  
22 at least twenty-five thousand dollars for all damages arising  
23 out of damage to or destruction of property in a crash or  
24 collision.

25 b. The requirements of paragraph "a" shall be in addition to  
26 the automobile insurance requirements set forth in chapter 516A  
27 or any other provision of law.

28 c. The requirements of paragraph "a" may be satisfied by any  
29 of the following:

30 (1) Insurance maintained by the delivery network driver.

31 (2) Insurance maintained by the delivery network company.

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

33 3. If the financial liability coverage maintained by a  
34 delivery network driver under this chapter lapses or does  
35 not provide coverage in the amounts required by subsection

1 2, insurance maintained by a delivery network company shall  
2 provide the financial liability coverage required by subsection  
3 2 beginning with the first dollar of a claim and the company  
4 shall have the duty to defend the claim.

5 4. Coverage under an automobile insurance policy maintained  
6 by a delivery network company under this chapter shall not be  
7 dependent on the insurer of a driver's personal vehicle first  
8 denying a claim, nor shall a personal automobile insurance  
9 policy be required to first deny a claim.

10 5. Insurance maintained under this chapter shall be  
11 provided by an insurer governed by chapter 515, or by a surplus  
12 lines insurer governed by chapter 515I.

13 6. Insurance maintained under this chapter shall be deemed  
14 to satisfy the financial responsibility requirements for a  
15 motor vehicle under chapter 321A.

16 7. A delivery network driver shall carry proof of financial  
17 liability coverage, as required by section 321.20B, in the  
18 amounts required by subsection 2, at all times while using a  
19 personal vehicle in connection with a digital network. In the  
20 event of a crash or collision, the driver shall provide proof  
21 of financial liability coverage to any directly interested  
22 party or insurer, and to any investigating law enforcement  
23 officer, upon request and in a format provided for under  
24 section 321.20B. Upon such a request, the driver shall also  
25 disclose to any directly interested party or insurer, and to  
26 any investigating law enforcement officer, whether the driver  
27 was operating during the delivery available period or the  
28 delivery service period providing delivery services at the time  
29 of the crash or collision. A delivery network driver who fails  
30 to carry proof of financial liability coverage is subject to  
31 section 321.20B.

32 Sec. 5. NEW SECTION. 321P.4 Disclosure requirements.

33 A delivery network company shall disclose all of the  
34 following to a delivery network driver in writing before the  
35 driver may accept a request from a customer for delivery

1 services on the delivery network company's digital network:

2 1. The types, amounts, terms, and limits of automobile  
3 insurance provided by the company to the driver while the  
4 driver uses a personal vehicle in connection with the use of  
5 the company's digital network.

6 2. That the driver's own automobile insurance policy,  
7 depending on the policy's terms, may not provide any coverage  
8 during the delivery available period and the delivery service  
9 period.

10 Sec. 6. NEW SECTION. 321P.5 Insurers.

11 1. a. Notwithstanding any other provision of law to the  
12 contrary, an insurer that writes automobile insurance within  
13 this state may exclude any and all coverage afforded to an  
14 insured person under a policy issued to the owner or operator  
15 of a personal vehicle for any injury or loss that occurs while  
16 the insured is logged on to a delivery network company's  
17 digital network during the delivery available period and  
18 delivery service period. This right to exclude coverage may  
19 apply to any type of coverage provided for in the insured's  
20 policy, including but not limited to liability coverage for  
21 bodily injury, death, and property damage, personal injury  
22 protection coverage, uninsured and underinsured motorist  
23 coverage, medical payments coverage, comprehensive physical  
24 damage coverage, and collision physical damage coverage.

25 b. This chapter shall not be construed to require an insurer  
26 to provide coverage to an individual during the delivery  
27 available period or delivery service period, or while otherwise  
28 delivering goods for compensation.

29 c. This chapter shall not be construed to preclude an  
30 insurer from providing coverage for a delivery network driver's  
31 personal vehicle, if the insurer chooses to do so by contract  
32 or endorsement.

33 2. a. An insurer that excludes coverage pursuant to  
34 subsection 1 shall not have a duty to defend or indemnify a  
35 claim expressly excluded from a policy issued by the insurer.

1 This chapter shall not be deemed to invalidate or limit an  
2 exclusion contained in a policy, including a policy in use or  
3 approved for use in this state prior to July 1, 2024, that  
4 excludes coverage for vehicles used for delivery service.

5     **b.** An insurer that defends or indemnifies a claim against  
6 an insured delivery network driver that is excluded under the  
7 terms of the driver's policy shall have a right of action  
8 for contribution or indemnity against an insurer providing  
9 automobile insurance to the driver under this chapter during  
10 the period in which the loss occurred.

11     **3.** The insurer or insurers of a delivery network company  
12 providing coverage under section 321P.3, subsection 2, shall  
13 assume primary liability for a claim when a dispute exists as  
14 to when the delivery available period began or ended, when the  
15 delivery service period began or ended, and when the delivery  
16 network company does not have available, did not retain, or  
17 fails to provide the information required by section 321P.3,  
18 subsection 7.

19     **4.** In a claims coverage investigation, any involved  
20 delivery network company and any insurer providing coverage  
21 pursuant to this chapter shall cooperate to facilitate the  
22 exchange of relevant information with one another, and with  
23 any insurer of the delivery network driver, where applicable,  
24 including but not limited to the precise times during which  
25 the driver began and ended the delivery available period  
26 and the delivery services period on the delivery network  
27 company's digital network in the twelve-hour period immediately  
28 preceding the crash or collision and in the twelve-hour  
29 period immediately following the crash or collision, and shall  
30 disclose to one another a clear description of any relevant  
31 automobile insurance provided pursuant to this chapter,  
32 including any applicable limits and exclusions.

33     **Sec. 7.** Section 325A.1, subsections 7, 12, and 15, Code  
34 2023, are amended to read as follows:

35     **7.** "*Motor carrier*" means a person defined in subsection 9,

1 10, 11, or 12, but does not include a transportation network  
2 company or a transportation network company driver, as defined  
3 in section 321N.1, or delivery network company or delivery  
4 network driver, as defined in section 321P.1.

5 12. "*Motor carrier of property*" means a person engaged in  
6 the transportation, for hire, of property by motor vehicle  
7 including a carrier transporting liquid commodities or  
8 compressed gases in a vehicle having a total cargo tank shell  
9 capacity of two thousand gallons or less, other than a delivery  
10 network company or delivery network driver, as defined in  
11 section 321P.1.

12 15. "*Private carrier*" means a person who provides  
13 transportation of property or passengers by motor vehicle or  
14 who transports commodities of which the person is the owner,  
15 lessee, or bailee and the transportation is a furtherance of  
16 the person's primary business or occupation, but is not a  
17 for-hire motor carrier, ~~or~~ a transportation network company or  
18 a transportation network company driver, as defined in section  
19 321N.1, or a delivery network company or delivery network  
20 driver, as defined in section 321P.1.

21 Sec. 8. Section 325A.1, subsection 10, unnumbered paragraph  
22 1, Code 2023, is amended to read as follows:

23 "*Motor carrier of household goods*" means a person engaged in  
24 the transportation, for hire, of personal effects and property  
25 used or to be used in a dwelling, ~~and includes~~ other than a  
26 delivery network company or delivery network driver, as defined  
27 in section 321P.1, including all of the following:

28 Sec. 9. Section 327D.1, Code 2023, is amended to read as  
29 follows:

30 **327D.1 Applicability of chapter.**

31 This chapter applies to intrastate transportation by  
32 for-hire common carriers of persons and property. However,  
33 this chapter does not apply to regular route motor carriers  
34 of passengers or charter carriers, as defined under  
35 section 325A.12, ~~or~~ a transportation network company or a



1 transportation network company driver, as defined in section  
2 321N.1, or delivery network company or a delivery network  
3 driver, as defined in section 321P.1.

4 Sec. 10. EFFECTIVE DATE. This Act takes effect July 1,  
5 2024.

6 EXPLANATION

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

9 This bill provides for the regulation of delivery network  
10 companies (DNCs) and delivery network drivers (drivers). A  
11 DNC is an entity that uses a digital network to connect DNC  
12 customers to drivers who provide delivery services. The bill  
13 provides that a DNC is not deemed to control, direct, or manage  
14 a driver that connects to the DNC's digital network, or the  
15 driver's personal vehicle, except as agreed to by the DNC and  
16 the driver pursuant to a written contract.

17 During the delivery available and service periods, the bill  
18 requires financial liability coverage to cover the driver in  
19 the amount of at least \$50,000 for bodily injury to or death  
20 of one person in any one crash or collision, \$100,000 for  
21 bodily injury to or death of two or more persons in any one  
22 crash or collision, and \$25,000 for injury to or destruction  
23 of property of others in any one crash or collision. The  
24 insurance required by the bill may be maintained by the driver,  
25 the DNC, or both.

26 Under the bill, if the financial liability coverage  
27 maintained by a driver lapses or does not provide coverage in  
28 the amounts required by the bill, insurance maintained by a  
29 DNC shall provide the coverage beginning with the first dollar  
30 of a claim, and the DNC is required to defend the claim. In  
31 addition, insurance maintained by a DNC shall not be dependent  
32 on the insurer of a driver's personal vehicle first denying a  
33 claim.

34 The financial liability coverage required by the bill must  
35 be provided by an insurer governed by Code chapter 515, or by a

1 surplus lines insurer governed by Code chapter 515I.

2 The bill requires a driver to carry proof of financial  
3 liability coverage at all times during which the driver uses a  
4 vehicle in connection with the use of a DNC's digital network.  
5 In the event of a crash or collision, the driver must provide  
6 the proof of financial liability coverage, upon request, to any  
7 directly interested party or insurer, and to any investigating  
8 police officer.

9 The bill requires a DNC to disclose to a driver in writing  
10 the types, amounts, terms, and limits of financial liability  
11 coverage provided by the DNC to the driver while the driver  
12 uses a personal vehicle in connection with the use of the DNC's  
13 digital network, and the fact that the driver's own financial  
14 liability coverage may not provide coverage while the driver is  
15 logged on to the DNC's digital network or is providing delivery  
16 services.

17 The bill provides that an insurer may exclude coverage  
18 afforded to an insured person under a policy issued to the  
19 owner or operator of a personal vehicle for any injury or  
20 loss that occurs while the insured is logged on to a DNC's  
21 digital network or while the insured is providing delivery  
22 services. An insurer that excludes coverage in this way shall  
23 not have a duty to defend or indemnify a claim so excluded from  
24 a policy issued by the insurer. An insurer that defends or  
25 indemnifies a claim against an insured driver that is excluded  
26 under the terms of the driver's policy has a right of action  
27 for contribution or indemnity against an insurer providing  
28 financial liability coverage to the driver during the period in  
29 which the loss occurred.

30 In addition, the bill provides that in a claims coverage  
31 investigation, any involved DNC and any insurer potentially  
32 providing coverage must cooperate to facilitate the exchange  
33 of relevant information with parties directly involved in the  
34 claim.

35 The bill exempts drivers from Code chapters 325A (motor

1 carrier authority) and 327D (regulation of carriers).

2 Under current law, a person who violates provisions relating  
3 to proof of financial liability coverage (Code section  
4 321.20B), including a driver under the bill, is subject to a  
5 scheduled fine of \$325, or \$645 if the person was involved in  
6 an accident, among other consequences. There are no penalties  
7 set forth in the bill for DNCs that violate the provisions of  
8 the bill.

9 Code chapter 321N regulates transportation network companies  
10 and restricts certain persons from being eligible to operate  
11 as a transportation network company driver. A driver is not  
12 subject to the same exclusions while performing delivery  
13 services.

14 The bill takes effect July 1, 2024.