

**House File 545 - Introduced**

HOUSE FILE 545  
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HF 7)

**A BILL FOR**

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

unofficial

1 Section 1. Section 321.518, Code 2025, is amended to read as  
2 follows:

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

4 A person may operate an on-demand driverless-capable vehicle  
5 network. An on-demand driverless-capable vehicle network  
6 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~~ persons  
10 to driverless-capable vehicles either exclusively or as part  
11 of a digital network that also connects ~~passengers~~ persons to  
12 conventional human drivers who provide transportation or delivery  
13 services, consistent with chapter 321N or 321Q, or any other  
14 applicable laws, in vehicles that are not driverless-capable  
15 vehicles.

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

17 As used in this chapter:

18 1. "Delivery network company" or "company" means a  
19 corporation, partnership, sole proprietorship, or other entity  
20 that operates in this state and uses a digital network to connect  
21 a delivery network company customer to a delivery network driver  
22 to provide delivery services. "Delivery network company" does  
23 not include an entity engaged in the delivery of the entity's  
24 products by the entity's employees.

25 2. "Delivery network company customer" or "customer" means a  
26 person who uses a delivery network company's digital network to  
27 request the delivery of goods.

28 3. "Delivery network driver" or "driver" means an individual  
29 who does all of the following:

30 a. Receives delivery service requests from a delivery network  
31 company's digital network.

32 b. Uses a personal vehicle to provide delivery services.

33 4. "Delivery service" means the fulfillment of a delivery  
34 request by a driver to a customer during the delivery service  
35 period. "Delivery service" includes a series of deliveries made

1 by a driver to different customers.

2 5. "Delivery service period" means the period between a  
3 driver accepting a request to deliver goods and the delivery  
4 of such goods. "Delivery service period" begins when a driver  
5 starts operating a personal vehicle en route to pick up goods for  
6 a delivery or series of deliveries as documented by the digital  
7 network controlled by a delivery network company. "Delivery  
8 service period" includes the period during which the driver  
9 transports the requested goods for delivery, and ends upon  
10 delivery of the requested goods to any of the following:

11 a. The customer or the last customer in a series of  
12 deliveries.

13 b. A location designated by the delivery network company,  
14 including for purposes of returning the goods.

15 6. "Digital network" means an online-enabled application,  
16 internet site, or system offered or utilized by a delivery  
17 network company that enables delivery services.

18 7. "Financial liability coverage" means the same as defined  
19 in section 321.1, subsection 24B.

20 8. "Personal vehicle" means a noncommercial motor vehicle  
21 that is used by a delivery network driver and is owned, leased,  
22 or otherwise authorized for use by the delivery network driver.  
23 "Personal vehicle" does not include a taxicab, limousine, or  
24 other vehicle for hire.

25 Sec. 3. NEW SECTION. **321Q.2 Interaction with other law.**

26 Nothing in this chapter limits the scope of federal or state  
27 law regarding delivery or transport of goods. Deliveries made  
28 under this chapter that are subject to such other law must also  
29 comply with the requirements of that law. In the event of a  
30 conflict between this chapter and another law dealing with the  
31 delivery or transport of goods, the other law prevails.

32 Sec. 4. NEW SECTION. **321Q.3 Financial responsibility.**

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

1 a. Recognizes that the driver is a delivery network driver  
2 or that the driver otherwise uses a personal motor vehicle to  
3 deliver goods.

4 b. Covers the driver during the delivery service period.

5 c. Covers the driver in the amounts set forth in subsection  
6 2.

7 2. a. During the delivery service period, financial  
8 liability coverage shall cover the driver in the amount of at  
9 least fifty thousand dollars for damages arising out of bodily  
10 injury to or death of any one person in a crash or collision,  
11 at least one hundred thousand dollars for damages arising out  
12 of bodily injury to or death of two or more persons in a crash  
13 or collision, and at least twenty-five thousand dollars for all  
14 damages arising out of damage to or destruction of property in a  
15 crash or collision.

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

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

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

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

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

24 3. If the financial liability coverage maintained by a  
25 delivery network driver under this chapter lapses or does  
26 not provide coverage in the amounts required by subsection  
27 2, insurance maintained by a delivery network company shall  
28 provide the financial liability coverage required by subsection 2  
29 beginning with the first dollar of a claim and the company shall  
30 have the duty to defend the claim.

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

1 5. Insurance maintained under this chapter shall be provided  
2 by an insurer governed by chapter 515, or by a surplus lines  
3 insurer governed by chapter 515I.

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

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

22 Sec. 5. NEW SECTION. **321Q.4 Disclosure requirements.**

23 A delivery network company shall disclose all of the following  
24 to a delivery network driver in writing before the driver may  
25 accept a request from a customer for delivery services on the  
26 delivery network company's digital network:

27 1. The types, amounts, terms, and limits of automobile  
28 insurance provided by the company to the driver while the driver  
29 uses a personal vehicle in connection with the use of the  
30 company's digital network.

31 2. That the driver's own automobile insurance policy,  
32 depending on the policy's terms, may not provide any coverage  
33 during the delivery service period.

34 Sec. 6. NEW SECTION. **321Q.5 Insurers.**

35 1. a. Notwithstanding any other provision of law to the

1 contrary, an insurer that writes automobile insurance within this  
2 state may exclude any and all coverage afforded to an insured  
3 person under a policy issued to the owner or operator of a  
4 personal vehicle for any injury or loss that occurs while the  
5 insured is logged on to a delivery network company's digital  
6 network during the delivery service period. This right to  
7 exclude coverage may apply to any type of coverage provided for  
8 in the insured's policy, including but not limited to liability  
9 coverage for bodily injury, death, and property damage, personal  
10 injury protection coverage, uninsured and underinsured motorist  
11 coverage, medical payments coverage, comprehensive physical  
12 damage coverage, and collision physical damage coverage.

13 b. This chapter shall not be construed to require an insurer  
14 to provide coverage to an individual during the delivery service  
15 period or while otherwise delivering goods for compensation.

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

20 2. a. An insurer that excludes coverage pursuant to  
21 subsection 1 shall not have a duty to defend or indemnify a claim  
22 expressly excluded from a policy issued by the insurer. This  
23 chapter shall not be deemed to invalidate or limit an exclusion  
24 contained in a policy, including a policy in use or approved for  
25 use in this state prior to the effective date of this Act, that  
26 excludes coverage for vehicles used for delivery service.

27 b. An insurer that defends or indemnifies a claim against  
28 an insured delivery network driver that is excluded under the  
29 terms of the driver's policy shall have a right of action for  
30 contribution or indemnity against an insurer providing automobile  
31 insurance to the driver under this chapter during the period in  
32 which the loss occurred.

33 3. The insurer or insurers of a delivery network company  
34 providing coverage under section 321Q.3, subsection 2, shall  
35 assume primary liability for a claim when a dispute exists as

1 to when the delivery service period began or ended, and when the  
2 delivery network company does not have available, did not retain,  
3 or fails to provide the information required by section 321Q.3,  
4 subsection 7.

5 4. In a claims coverage investigation, any involved delivery  
6 network company and any insurer providing coverage pursuant  
7 to this chapter shall cooperate to facilitate the exchange of  
8 relevant information with one another, and with any insurer of  
9 the delivery network driver, where applicable, including but  
10 not limited to the precise times during which the driver began  
11 and ended the delivery services period on the delivery network  
12 company's digital network in the twelve-hour period immediately  
13 preceding the crash or collision and in the twelve-hour period  
14 immediately following the crash or collision, and shall disclose  
15 to one another a clear description of any relevant automobile  
16 insurance provided pursuant to this chapter, including any  
17 applicable limits and exclusions.

18 Sec. 7. NEW SECTION. **321Q.6 Company-driver relationship.**

19 1. A delivery network company is not deemed to control,  
20 direct, or manage a delivery network driver that connects to  
21 the company's digital network, or the driver's personal vehicle,  
22 except as agreed to by the company and the driver pursuant to a  
23 written contract.

24 2. A delivery network driver shall be considered an  
25 independent contractor and shall not be considered an agent or  
26 employee of a delivery network company.

27 Sec. 8. Section 325A.1, subsections 7, 12, and 15, Code 2025,  
28 are amended to read as follows:

29 7. "Motor carrier" means a person defined in subsection 9,  
30 10, 11, or 12, but does not include a transportation network  
31 company or a transportation network company driver, as defined in  
32 section 321N.1, or delivery network company or delivery network  
33 driver, as defined in section 321Q.1.

34 12. "Motor carrier of property" means a person engaged in the  
35 transportation, for hire, of property by motor vehicle including

1 a carrier transporting liquid commodities or compressed gases  
2 in a vehicle having a total cargo tank shell capacity of two  
3 thousand gallons or less, other than a delivery network company  
4 or delivery network driver, as defined in section 321Q.1.

5 15. "Private carrier" means a person who provides  
6 transportation of property or passengers by motor vehicle or who  
7 transports commodities of which the person is the owner, lessee,  
8 or bailee and the transportation is a furtherance of the person's  
9 primary business or occupation, but is not a for-hire motor  
10 carrier, ~~or~~ a transportation network company or a transportation  
11 network company driver, as defined in section 321N.1, or a  
12 delivery network company or delivery network driver, as defined  
13 in section 321Q.1.

14 Sec. 9. Section 325A.1, subsection 10, unnumbered paragraph  
15 1, Code 2025, is amended to read as follows:

16 "Motor carrier of household goods" means a person engaged in  
17 the transportation, for hire, of personal effects and property  
18 used or to be used in a dwelling, ~~and includes~~ other than a  
19 delivery network company or delivery network driver, as defined  
20 in section 321Q.1, including all of the following:

21 Sec. 10. Section 327D.1, Code 2025, is amended to read as  
22 follows:

23 **327D.1 Applicability of chapter.**

24 This chapter applies to intrastate transportation by for-hire  
25 common carriers of persons and property. However, this chapter  
26 does not apply to regular route motor carriers of passengers  
27 or charter carriers, as defined under section 325A.12, ~~or~~  
28 a transportation network company or a transportation network  
29 company driver, as defined in section 321N.1, or delivery network  
30 company or a delivery network driver, as defined in section  
31 321Q.1.

32 Sec. 11. EFFECTIVE DATE. This Act takes effect July 1, 2026.

33 EXPLANATION

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

1 This bill provides for the regulation of delivery network  
2 companies (DNCs) and delivery network drivers (drivers). A DNC  
3 is an entity that uses a digital network to connect DNC customers  
4 to drivers who provide delivery services.

5 During the delivery service periods, the bill requires  
6 financial liability coverage to cover the driver in the amount  
7 of at least \$50,000 for bodily injury to or death of one person  
8 in any one crash or collision, \$100,000 for bodily injury to or  
9 death of two or more persons in any one crash or collision, and  
10 \$25,000 for injury to or destruction of property of others in any  
11 one crash or collision. The insurance required by the bill may  
12 be maintained by the driver, the DNC, or both.

13 Under the bill, if the financial liability coverage maintained  
14 by a driver lapses or does not provide coverage in the amounts  
15 required by the bill, insurance maintained by a DNC must provide  
16 the coverage beginning with the first dollar of a claim, and the  
17 DNC is required to defend the claim. In addition, insurance  
18 maintained by a DNC is prohibited from being dependent on the  
19 insurer of a driver's personal vehicle first denying a claim.

20 The financial liability coverage required by the bill must be  
21 provided by an insurer governed by Code chapter 515, or by a  
22 surplus lines insurer governed by Code chapter 515I.

23 The bill requires a driver to carry proof of financial  
24 liability coverage at all times during which the driver uses a  
25 vehicle in connection with the use of a DNC's digital network.  
26 In the event of a crash or collision, the driver must provide  
27 the proof of financial liability coverage, upon request, to any  
28 directly interested party or insurer, and to any investigating  
29 police officer.

30 The bill requires a DNC to disclose to a driver in writing  
31 the types, amounts, terms, and limits of financial liability  
32 coverage provided by the DNC to the driver while the driver  
33 uses a personal vehicle in connection with the use of the DNC's  
34 digital network, and the fact that the driver's own financial  
35 liability coverage may not provide coverage during the delivery

1 service period.

2 The bill provides that an insurer may exclude coverage  
3 afforded to an insured person under a policy issued to the owner  
4 or operator of a personal vehicle for any injury or loss that  
5 occurs while the insured is logged on to a DNC's digital network  
6 during the delivery service period. An insurer that excludes  
7 coverage in this way does not have a duty to defend or indemnify  
8 a claim so excluded from a policy issued by the insurer. An  
9 insurer that defends or indemnifies a claim against an insured  
10 driver that is excluded under the terms of the driver's policy  
11 has a right of action for contribution or indemnity against  
12 an insurer providing financial liability coverage to the driver  
13 during the period in which the loss occurred.

14 In addition, the bill provides that in a claims coverage  
15 investigation, any involved DNC and any insurer potentially  
16 providing coverage must cooperate to facilitate the exchange of  
17 relevant information with parties directly involved in the claim.

18 The bill provides that a DNC is not deemed to control, direct,  
19 or manage a driver that connects to the DNC's digital network, or  
20 the driver's personal vehicle, except as agreed to by the DNC and  
21 the driver pursuant to a written contract, and that a driver is  
22 an independent contractor, not an agent or employee of a DNC.

23 The bill exempts drivers from Code chapters 325A (motor  
24 carrier authority) and 327D (regulation of carriers).

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

31 Code chapter 321N regulates transportation network companies  
32 and restricts certain persons from being eligible to operate as  
33 a transportation network company driver. A driver is not subject  
34 to the same exclusions while performing delivery services.

35 The bill takes effect July 1, 2026.