Sixty-fourth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1144

Introduced by
Representative Keiser
Senator Klein

A BILL for an Act to create and enact chapter 26.1-40.1 of the North Dakota Century Code, relating to insurance coverage of motor vehicles participating in transportation network company networks, priority of coverage, and minimum limits; and to provide for application.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Chapter 26.1-40.1 of the North Dakota Century Code is created and enacted as follows:


As used in this chapter, unless the context otherwise requires:

1. "Application off stage" of operation means the time period when the driver is operating the vehicle for personal noncommercial reasons and not engaged in any manner or operation for the transportation network company.

2. "Application on stage" means the time period the driver is logged onto the online-enabled application of a transportation network company and available for hire but not engaged and there is no passenger on board.

3. "Engaged stage" means the time period from the moment a participating driver accepts a ride request on the transportation network company online-enabled application or platform until the driver completes the transaction on the online-enabled application or platform or until the ride is complete, whichever is later.

4. "Participating driver" or "driver" means any person who uses a vehicle in connection with a transportation network company's online-enabled application or platform to connect with passengers.

5. "Passengers on-board stage" means the time period when there are passengers in the vehicle pursuant to the driver's participation in a transportation network company.
“Transportation network company” means a person operating in this state that provides prearranged transportation services for compensation using an online-enabled application or platform to connect passengers with drivers using a personal vehicle.

“Transportation network company insurance” means a liability insurance policy that specifically covers liabilities arising from a participating driver’s use of a vehicle in connection with a transportation network company’s online-enabled application or platform.


1. A transportation network company shall disclose in writing to participating drivers, as part of its agreement with those drivers, the insurance coverage and limits of liability that the transportation network company provides while the driver uses a vehicle in connection with a transportation network company’s online-enabled application or platform and shall advise a participating driver in writing of when the driver’s personal automobile insurance policy will not provide coverage under the agreement.

2. A transportation network company shall disclose in writing to participating drivers, as part of its agreement with those drivers, of when the driver’s personal automobile insurance policy will not provide collision or comprehensive coverage, under the agreement.

3. A transportation network company shall provide notice of a driver’s participation in the transportation network directly to the driver’s personal automobile insurer unless that insurer is providing transportation network company insurance to the driver.

26.1-40.1-03. Coverage required when transportation network company application is engaged until completion of ride.

1. A transportation network company and any participating driver shall maintain transportation network company insurance and unless otherwise specified, the following requirements apply to transportation network company insurance during the engaged stage and during the passenger on-board stage.

a. Transportation network company insurance is primary and in the amount of one million dollars for death, personal injury, and property damage. The requirements...
for the coverage required by this subdivision may be satisfied by any of the following:

(1) Transportation network company insurance maintained by a participating driver.

(2) Transportation network company insurance maintained by a transportation network company.

(3) Any combination of paragraphs 1 and 2.

b. Transportation network company insurance coverage provided under this section also provides for uninsured motorist coverage and underinsured motorist coverage in the amount of one million dollars anytime the driver has transportation network company passengers on board.

c. Transportation network company insurance coverage must provide personal injury protection to drivers, passengers, and pedestrians as provided under chapter 26.1-41.

d. The primary insurer, in the case of insurance coverage provided under subdivision a, has the duty to defend and indemnify the insured.

e. A transportation network company may meet its obligations under this section through a policy obtained by a participating driver under paragraph 1 or 3 of subdivision a only if the transportation network company verifies that the policy is maintained by the driver and is specifically written to cover the driver's use of a vehicle in connection with a transportation network company's online-enabled application or platform.

26.1-40.1-04. Insurance coverage during the application on stage with no passengers in vehicle.

1. The following requirements apply to transportation network company insurance for application on stage:

a. Transportation network company insurance shall be primary and in the amount of at least twenty-five thousand dollars for death and personal injury per person, fifty thousand dollars for death and personal injury per incident, and twenty-five thousand dollars for property damage.

b. Transportation network company insurance coverage must provide:
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(1) Uninsured motorist coverage under subsection 3 of section 26.1-40-15.1;
(2) Underinsured motorist coverage under subsection 2 of section 26.1-40-15.1;
(3) Personal injury protection under chapter 26.1-41; and
(4) Collision physical damage coverage and comprehensive physical damage coverage.

2. The requirements for the coverage required by this section may be satisfied by any of the following:
   a. Transportation network company insurance maintained by a participating driver.
   b. Transportation network company insurance maintained by a transportation network company that provides coverage in the event a participating driver's insurance policy under subdivision a of subsection 1 has ceased to exist or has been canceled, or the participating driver does not otherwise maintain transportation network company insurance pursuant to this section.
   c. Any combination of subsections a and b.

3. A transportation network company shall maintain insurance coverage that provides excess coverage insuring the transportation network company and the driver in the amount of at least two hundred thousand dollars per occurrence to cover any liability arising from a participating driver using a vehicle in connection with a transportation network company's online-enabled application or platform within the application on stage specified in this section, which liability exceeds the required coverage limits in subdivision a of subsection 1.

4. The insurer providing insurance coverage under this section is the only insurer having the duty to defend any liability claim arising from an accident occurring within the time periods specified in this section.

5. A transportation network company may meet its obligations under this section through a policy obtained by a participating driver under subdivisions a or c of subsection 2, only if the transportation network company verifies that the policy is maintained by the driver and is specifically written to cover the driver's use of a vehicle in connection with a transportation network company's online-enabled application or platform.

6. Coverage under a transportation network company insurance policy may neither be dependent on a driver's personal automobile insurance policy carrier first denying a
claim nor a personal automobile insurance policy carrier be required to first deny a
claim.

7. In every instance where transportation network company insurance maintained by a
participating driver to fulfill the insurance obligations of this section has lapsed or
ceased to exist, the transportation network company shall provide the coverage
required by this section beginning with the first dollar of a claim.

This chapter does not limit the liability of a transportation network company arising out of an
automobile accident involving a participating driver in any action for damages against a
transportation network company for an amount above the required insurance coverage.

26.1-40.1-06. Limitations on driver’s personal auto policy during passenger on-board
stage, engaged stage, and application on stage.
1. During the application on stage, engaged stage, or passenger on-board stage, the
following apply:
   a. The participating driver's or the vehicle owner's personal automobile insurance
      policy does not provide any coverage to the participating driver, vehicle owner, or
      any third party, unless the policy expressly provides for that coverage during the
      period of time to which this section is applicable, with or without a separate
      charge, or the policy contains an amendment or endorsement to provide that
      coverage, for which a separately stated premium is charged.
   b. The participating driver's or the vehicle owner's personal automobile insurance
      company does not have the duty to defend or indemnify for the driver's activities
      in connection with the transportation network company, unless the policy
      expressly provides otherwise for the period of time to which this section is
      applicable, with or without a separate charge, or the policy contains an
      amendment or endorsement to provide that coverage, for which a separately
      stated premium is charged.
   c. Nothing in this chapter may be construed to require a private passenger
      automobile insurance policy to provide primary or excess coverage during the
      application on stage, engaged stage, or passenger on-board stage.

Notwithstanding any other law, a personal automobile insurer may offer an automobile liability insurance policy, or an amendment or endorsement to an existing policy that covers a private passenger vehicle or similar type of vehicle with a passenger capacity of eight persons or less, including the driver, while used in connection with a transportation network company's online-enabled application or platform only if the policy expressly provides for the coverage during the time period specified in section 26.1-40.1-03, with or without a separate charge, or the policy contains an amendment or an endorsement to provide that coverage, for which a separately stated premium may be charged.


In a claims coverage investigation involving a participating driver, a transportation network company or its insurer shall cooperate with insurers that are involved in the claims coverage investigation to facilitate the exchange of information, including the provision of dates and times at which an accident occurred involving a participating driver and the precise times that the participating driver logged on and off the transportation network company's online-enabled application or platform.


A transportation network company may not disclose to a third party any personally identifiable information of a transportation network company passenger unless the customer knowingly consents, under a legal obligation, or the disclosure is to the commissioner of insurance in order to investigate a complaint filed with the commissioner against a transportation network company or a participating driver and the commissioner treats the information under confidentiality protections.


Transportation network company insurance that meets the requirements of this chapter is deemed to satisfy the financial responsibility requirements of chapter 39-16.


A participating driver of a transportation network company shall carry proof of transportation network company insurance coverage at all times during the driver's use of a vehicle in connection with a transportation network company's online-enabled application or platform.
the event of an accident, a participating driver shall provide this insurance coverage information to any other party involved in the accident, and to a police officer, upon request.

SECTION 2. APPLICATION. The insurance commissioner shall expedite review of any application for approval of transportation network company insurance products so that these products become available for purchase on or before the effective date of this Act.