

HOUSE REGULATORY AND PUBLIC AFFAIRS COMMITTEE SUBSTITUTE FOR  
HOUSE TRANSPORTATION AND PUBLIC WORKS COMMITTEE SUBSTITUTE FOR  
HOUSE BILL 272

**52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015**

AN ACT

RELATING TO TRANSPORTATION; ENACTING THE TRANSPORTATION NETWORK  
COMPANY SERVICES ACT AND PROVIDING FOR ADMINISTRATION OF THE  
ACT BY THE PUBLIC REGULATION COMMISSION; CREATING A FUND;  
PROVIDING PENALTIES; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

**SECTION 1.** [NEW MATERIAL] SHORT TITLE.--Sections 1  
through 24 of this act may be cited as the "Transportation  
Network Company Services Act".

**SECTION 2.** [NEW MATERIAL] PURPOSE.--The purpose of the  
Transportation Network Company Services Act is to ensure the  
safety, reliability and cost-effectiveness of transportation  
network company services within New Mexico and to preserve and  
enhance access to these transportation options for residents  
and visitors to the state.

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1           SECTION 3. ~~[NEW MATERIAL]~~ DEFINITIONS.--As used in the  
2 Transportation Network Company Services Act:

3           A. "transportation network company" means an entity  
4 that is licensed pursuant to the Transportation Network Company  
5 Services Act, that is operating in New Mexico and that uses a  
6 digital network or software application service to connect  
7 passengers to transportation network company services provided  
8 by transportation network company drivers. A transportation  
9 network company is not deemed to own, control, operate or  
10 manage the vehicles used by the transportation network company  
11 drivers and is not a taxicab association or a for-hire vehicle  
12 owner;

13           B. "transportation network company driver" means an  
14 individual who operates a motor vehicle that is:

15                   (1) owned, leased or otherwise authorized for  
16 use by the individual;

17                   (2) not a taxicab or a for-hire vehicle; and

18                   (3) used to provide transportation network  
19 company services; and

20           C. "transportation network company services" means  
21 transportation of a passenger between points chosen by the  
22 passenger and prearranged with a transportation network company  
23 driver through the use of a transportation network company  
24 digital network or software application. Transportation  
25 network company services shall begin when a transportation

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1 network company driver accepts a request for transportation  
 2 received through the use of a transportation network company  
 3 digital network or software application service, continue while  
 4 the transportation network company driver transports the  
 5 passenger in the transportation network company driver's  
 6 vehicle and ends when the passenger exits the transportation  
 7 network company driver's vehicle. "Transportation network  
 8 company services" do not include taxicab, for-hire vehicle or  
 9 street hail services.

10 SECTION 4. [NEW MATERIAL] NOT OTHER CARRIERS.--

11 Transportation network companies or transportation network  
 12 company drivers offering or providing transportation network  
 13 company services are not motor carriers as defined in the Motor  
 14 Carrier Act nor do they provide taxicab or for-hire service. A  
 15 transportation network company driver's vehicle is not a  
 16 commercial or for-hire vehicle and is not subject to  
 17 registration as a commercial or for-hire motor vehicle.

18 SECTION 5. [NEW MATERIAL] TRANSPORTATION NETWORK COMPANY  
 19 PERMIT.--

20 A. A person shall not operate a transportation  
 21 network company in New Mexico without first having obtained a  
 22 permit from the public regulation commission.

23 B. The public regulation commission shall determine  
 24 the form and manner of application for a transportation network  
 25 company permit and shall issue a permit to each applicant that

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1 meets the requirements for a transportation network company as  
2 defined in the Transportation Network Company Services Act and  
3 any rules and regulations promulgated by the public regulation  
4 commission that are specifically necessary for enforcement of  
5 the act. The transportation network company shall pay an  
6 annual permit fee of ten thousand dollars (\$10,000) to the  
7 public regulation commission.

8 SECTION 6. [NEW MATERIAL] AGENT.--A transportation  
9 network company shall maintain an agent for services of process  
10 in New Mexico.

11 SECTION 7. [NEW MATERIAL] FARE CHARGED FOR SERVICES.--A  
12 transportation network company may charge a fare for the  
13 services provided to passengers; provided that, if the fare is  
14 charged, the transportation network company shall disclose to  
15 passengers the fare calculation method on its web site or  
16 within the software application service. The transportation  
17 network company shall also provide passengers with the  
18 applicable rates being charged and the option to receive an  
19 estimated fare before the passenger enters the transportation  
20 network company's driver's vehicle.

21 SECTION 8. [NEW MATERIAL] IDENTIFICATION OF THE VEHICLES  
22 AND DRIVERS.--The transportation network company's web site or  
23 software application shall display a picture of the  
24 transportation network company driver and the license plate  
25 number of the motor vehicle used for providing the

1 transportation network company service before the passenger  
2 enters the transportation network company driver's vehicle.

3 SECTION 9. [NEW MATERIAL] ELECTRONIC RECEIPT.--Within a  
4 reasonable period of time following the completion of a trip, a  
5 transportation network company shall transmit an electronic  
6 receipt to the passenger that lists:

- 7 A. the origin and destination of the trip;
- 8 B. the total time and distance of the trip; and
- 9 C. an itemization of the total fare paid, if any.

10 SECTION 10. [NEW MATERIAL] INSURANCE.--

11 A. After July 1, 2015, transportation network  
12 companies and their drivers shall comply with the automobile  
13 liability insurance requirements of this section.

14 B. The following automobile liability insurance  
15 requirements shall apply during the time that a transportation  
16 network company driver is logged into the company's digital  
17 network and available to receive requests for transportation  
18 but is not providing transportation network company services.

19 (1) A transportation network company or a  
20 driver shall maintain contingent liability insurance with a  
21 liability limit equal to at least the minimum amount required  
22 by Section 66-5-208 NMSA 1978. At a minimum, the contingent  
23 liability insurance must provide liability coverage if the  
24 driver's insurer for personal automobile insurance validly  
25 denies coverage under the terms of the driver's personal

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1 automobile insurance policy or the driver otherwise does not  
2 have personal automobile insurance coverage. Nothing in this  
3 paragraph precludes an insurer's right to equitable  
4 subrogation. The requirements of this paragraph expire on  
5 January 15, 2016.

6 (2) After January 15, 2016, a driver or a  
7 transportation network company on the driver's behalf shall  
8 maintain a primary liability automobile insurance policy that:

9 (a) recognizes that the driver is a  
10 transportation network company driver and provides coverage  
11 while the driver is logged into the transportation network  
12 company's digital network;

13 (b) meets at least the minimum coverage  
14 of Section 66-5-208 NMSA 1978; and

15 (c) is one of the following: 1) full-  
16 time coverage equivalent to the coverage required by Section  
17 65-2A-18 NMSA 1978; 2) an insurance rider to, or endorsement  
18 of, the driver's personal automobile insurance policy; or 3) a  
19 corporate liability insurance policy purchased by the  
20 transportation network company that provides primary coverage  
21 for the period of time in which a driver is logged into the  
22 digital network.

23 C. Nothing in this section requires a personal  
24 automobile insurance policy to provide coverage for the period  
25 of time in which a driver is logged into a transportation

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1 network company's digital network.

2 D. If more than one insurance policy provides valid  
3 and collectible coverage for a loss arising out of an  
4 occurrence involving a motor vehicle operated by a driver, the  
5 responsibility for the claim must be divided on a pro rata  
6 basis among all of the applicable policies. This equal  
7 division of responsibility may only be modified by the written  
8 agreement of all of the insurers of the applicable policies and  
9 the owners of those policies.

10 E. The following automobile liability insurance  
11 requirements shall apply while a transportation network company  
12 driver is providing transportation network services:

13 (1) the provision of primary automobile  
14 liability insurance that recognizes the transportation network  
15 company driver's provision of transportation network services;

16 (2) the provision of automobile liability  
17 insurance of at least one million dollars (\$1,000,000) for  
18 death, personal injury and property damage;

19 (3) the provision of uninsured and  
20 underinsured motorist coverage of at least one million dollars  
21 (\$1,000,000) per occurrence; and

22 (4) the coverage requirements of this  
23 subsection may be satisfied by any of the following:

24 (a) automobile liability insurance  
25 maintained by the transportation network company driver;

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1 (b) automobile liability insurance  
2 maintained by the transportation network company; or

3 (c) any combination of Subparagraphs (a)  
4 and (b) of this paragraph.

5 F. In every instance where insurance maintained by  
6 a transportation network company driver to fulfill the  
7 insurance requirements of this section has lapsed, failed to  
8 provide the required coverage, denied a claim for the required  
9 coverage or otherwise ceased to exist, insurance maintained by  
10 the transportation network company shall provide the coverage  
11 required by this section beginning with the first dollar of a  
12 claim.

13 G. Insurance required by this section may be placed  
14 with an insurer authorized to do business in the state or with  
15 a surplus lines insurer eligible under Chapter 59A, Article 14  
16 NMSA 1978.

17 H. Insurance required by this section shall be  
18 deemed to satisfy the financial responsibility requirement for  
19 a motor vehicle under Chapter 66, Article 5 NMSA 1978.

20 SECTION 11. [NEW MATERIAL] TRANSPORTATION NETWORK COMPANY  
21 AND INSURER DISCLOSURE REQUIREMENTS.--

22 A. The transportation network company shall  
23 disclose in writing to transportation network drivers the  
24 following before they are allowed to accept a request for  
25 transportation network services on the transportation network

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1 company's digital network:

2 (1) the insurance coverage and limits of  
3 liability that the transportation network company provides  
4 while the transportation network company driver uses a personal  
5 vehicle in connection with the transportation network company's  
6 digital network; and

7 (2) that the transportation network driver's  
8 own insurance policy might not provide coverage while the  
9 transportation network driver uses a vehicle in connection with  
10 a transportation network company's digital network depending on  
11 its terms.

12 B. Insurers that write automobile liability  
13 insurance in New Mexico may, notwithstanding the provisions  
14 contained in Section 66-5-205.3 NMSA 1978, exclude any and all  
15 coverage and the duty to defend afforded under the owner's  
16 insurance policy for any loss or injury that occurs while an  
17 insured vehicle provides or is available to provide  
18 transportation network company services. This right to exclude  
19 coverage and the duty to indemnify and defend may apply to any  
20 coverage included in an automobile liability insurance policy,  
21 including:

22 (1) liability coverage for bodily injury and  
23 property damage;

24 (2) uninsured and underinsured motorist  
25 coverage;

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- 1 (3) medical payments coverage;
- 2 (4) comprehensive physical damage coverage;
- 3 and
- 4 (5) collision physical damage coverage.

5 C. Automobile liability insurers that exclude  
6 coverage pursuant to this section shall have no duty to defend  
7 or indemnify any claim excluded. Nothing in this section  
8 shall be deemed to invalidate or limit an exclusion contained  
9 in a policy and approved for sale in New Mexico before the  
10 effective date of the Transportation Network Company Services  
11 Act.

12 D. Automobile liability insurance maintained by the  
13 transportation network company shall have the duty to defend  
14 and indemnify any claim excluded by a transportation network  
15 company driver's automobile liability insurer pursuant to this  
16 section.

17 E. An automobile liability insurer that defends or  
18 indemnifies a claim that is excluded under the terms of its  
19 policy pursuant to this section shall have a right of  
20 subrogation against automobile liability insurance maintained  
21 by the transportation network company to satisfy the coverage  
22 requirements of Section 10 of the Transportation Network  
23 Company Services Act.

24 F. In a claims coverage investigation,  
25 transportation network companies and any insurer providing

1 coverage under Section 10 of the Transportation Network Company  
 2 Services Act shall cooperate to facilitate the exchange of  
 3 information, including the precise times that a transportation  
 4 network company driver logged on and off of the transportation  
 5 network company's digital network in the twenty-four-hour  
 6 period immediately preceding the accident, and disclose to one  
 7 another a clear description of the coverage, exclusions and  
 8 limits provided under any insurance policy that each party  
 9 issued or maintained.

10 G. If the vehicle that a transportation network  
 11 company driver plans to use to provide transportation network  
 12 company services for a transportation network company has a  
 13 lien against it, the transportation network company driver  
 14 shall notify the lien holder that the driver will be using the  
 15 vehicle for transportation services that may violate the terms  
 16 of the contract with the lien holder.

17 SECTION 12. [NEW MATERIAL] ZERO TOLERANCE FOR DRUG OR  
 18 ALCOHOL USE.--

19 A. The transportation network company shall  
 20 implement a zero tolerance policy on the use of illegal drugs  
 21 or alcohol while a transportation network company driver is  
 22 providing transportation network company services or is logged  
 23 into the transportation network company's digital network but  
 24 is not providing transportation network company services. The  
 25 transportation network company shall provide notice of this

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1 policy on its web site as well as procedures to report a  
2 complaint about a driver with whom a passenger was matched and  
3 who the passenger reasonably suspects was under the influence  
4 of illegal drugs or alcohol during the course of the trip.

5 B. Upon receipt of such passenger complaint  
6 alleging a violation of the zero tolerance policy, the  
7 transportation network company shall immediately suspend the  
8 transportation network company driver's access to the  
9 transportation network company's digital platform and shall  
10 conduct an investigation into the reported incident. The  
11 suspension shall last the duration of the investigation.

12 C. The transportation network company shall  
13 maintain records relevant to the enforcement of this  
14 requirement for a period of at least three years from the date  
15 that a passenger complaint is received by the transportation  
16 network company.

17 SECTION 13. [NEW MATERIAL] TRANSPORTATION NETWORK COMPANY  
18 DRIVER REQUIREMENTS.--

19 A. Prior to permitting an individual to act as a  
20 transportation network company driver on its digital platform,  
21 the transportation network company shall:

22 (1) require the individual to submit an  
23 application to the transportation network company, which  
24 includes information regarding the individual's address, age,  
25 driver's license, driving history, motor vehicle registration,

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1 automobile liability insurance and other information required  
2 by the transportation network company;

3 (2) conduct, or have a third party conduct, a  
4 local and national criminal background check for each applicant  
5 that shall include:

6 (a) a multistate, multi-jurisdiction  
7 criminal records locator or other similar commercial nationwide  
8 database with validation; and

9 (b) the national sex offender registry  
10 database; and

11 (3) obtain and review a driving history  
12 research report for such individual.

13 B. The transportation network company shall not  
14 permit an individual to act as a transportation network company  
15 driver on its digital platform who:

16 (1) has had more than three moving violations  
17 in the prior three-year period, or one major violation in the  
18 prior three-year period, including but not limited to  
19 attempting to evade the police, reckless driving or driving on  
20 a suspended or revoked license;

21 (2) has been convicted, within the past seven  
22 years, of driving under the influence of illegal drugs or  
23 alcohol, fraud, a sexual offense, use of a motor vehicle to  
24 commit a felony, a crime involving property damage or theft, an  
25 act of violence or an act of terror;

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1                   (3) is a match in the national sex offender  
2 registry database;

3                   (4) does not possess a valid driver's license;

4                   (5) does not possess proof of registration for  
5 the motor vehicle used to provide transportation network  
6 company services;

7                   (6) does not possess proof of automobile  
8 liability insurance for the motor vehicle used to provide  
9 transportation network company services; or

10                  (7) is not at least nineteen years of age.

11                  C. The transportation network company shall  
12 maintain records verifying the requirements of this section for  
13 at least three years.

14                  D. A transportation network company driver shall  
15 not provide transportation network company services for more  
16 than twelve hours out of any twenty-four-hour period.

17                  SECTION 14. [NEW MATERIAL] VEHICLE SAFETY.--The  
18 transportation network company shall require that any motor  
19 vehicle that a transportation network company driver uses to  
20 provide transportation network company services meets New  
21 Mexico's vehicle equipment standards applicable to a private  
22 motor vehicle pursuant to the Motor Vehicle Code.

23                  SECTION 15. [NEW MATERIAL] NO STREET HAILS.--A  
24 transportation network company driver shall exclusively accept  
25 rides booked through a transportation network company's digital

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1 network or software application service and shall not solicit  
 2 or accept street hails.

3 SECTION 16. [NEW MATERIAL] NO CASH TIPS OR PAYMENT.--The  
 4 transportation network company shall adopt a policy prohibiting  
 5 solicitation or acceptance of cash tips or payments from  
 6 passengers and notify transportation network company drivers of  
 7 such policy. Transportation network company drivers shall not  
 8 solicit or accept cash tips or payments from passengers. Any  
 9 payment for transportation network company services shall be  
 10 made only electronically using the transportation network  
 11 company's digital network or software application.

12 SECTION 17. [NEW MATERIAL] NO DISCRIMINATION--  
 13 ACCESSIBILITY.--

14 A. The transportation network company shall adopt a  
 15 policy of nondiscrimination on the basis of race, color,  
 16 national origin, religious belief or affiliation, sex,  
 17 disability, age, sexual orientation or gender identity with  
 18 respect to passengers and potential passengers. The  
 19 transportation network company shall notify transportation  
 20 network company drivers of such policy.

21 B. Transportation network company drivers shall  
 22 comply with all applicable laws regarding nondiscrimination  
 23 against passengers or potential passengers on the basis of  
 24 destination, race, color, national origin, religious belief or  
 25 affiliation, sex, disability, age, sexual orientation or gender

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1 identity.

2 C. Transportation network company drivers shall  
3 comply with all applicable laws relating to accommodation of  
4 service animals.

5 D. A transportation network company shall not  
6 impose additional charges for providing services to persons  
7 with physical disabilities because of those disabilities.

8 E. A transportation network company shall provide  
9 passengers an opportunity to indicate whether they require a  
10 wheelchair-accessible vehicle. If a transportation network  
11 company cannot arrange wheelchair-accessible transportation  
12 network company service in any instance, it shall direct the  
13 passenger to an alternate provider of wheelchair-accessible  
14 service, if available.

15 SECTION 18. [NEW MATERIAL] TRIP RECORDS.--A  
16 transportation network company shall maintain:

17 A. individual trip records for at least three years  
18 from the date each trip was provided; and

19 B. transportation network company driver records at  
20 least until the one-year anniversary of the date on which a  
21 transportation network company driver's activation on the  
22 transportation network company digital network has ended.

23 SECTION 19. [NEW MATERIAL] PERSONALLY IDENTIFIABLE  
24 INFORMATION.--A transportation network company shall not  
25 disclose a passenger's personally identifiable information to a

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1 third party unless:

2 A. the passenger consents;

3 B. disclosure is required by a legal obligation; or

4 C. disclosure is required to protect or defend the

5 terms of use of the service or to investigate violations of  
 6 those terms. In addition to the foregoing, a transportation  
 7 network company shall be permitted to share a passenger's name  
 8 and telephone number with the transportation network company  
 9 driver providing transportation network company services to  
 10 such passenger in order to facilitate correct identification of  
 11 the passenger by the transportation network company driver or  
 12 to facilitate communication between the passenger and the  
 13 transportation network company driver.

14 SECTION 20. [NEW MATERIAL] CONTROLLING AUTHORITY.--

15 Notwithstanding any other provision of law, transportation  
 16 network companies and transportation network company drivers  
 17 are governed exclusively by the Transportation Network Company  
 18 Services Act and any rules or regulations promulgated by the  
 19 public regulation commission consistent with that act. No  
 20 municipality or other local entity may impose a tax on, or  
 21 require a license for, a transportation network company, a  
 22 transportation network company driver or a vehicle used by a  
 23 transportation network company driver or subject a  
 24 transportation network company to the municipality's or other  
 25 local entity's rate, entry, operational or other requirements,

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1 except for generally applicable business licenses or business-  
2 related taxes imposed at the local level.

3 SECTION 21. [NEW MATERIAL] TRANSPORTATION DIVISION  
4 FUND--CREATED--ASSESSMENT AND COLLECTION OF FEES.--

5 A. The transportation division fund is created in  
6 the state treasury for the purpose of ensuring the safety and  
7 financial responsibility of transportation network companies  
8 and transportation network company drivers. The fund shall  
9 consist of fees collected pursuant to the Transportation  
10 Network Company Services Act, administrative fines collected  
11 under that act, appropriations, gifts, grants, donations and  
12 earnings on investment of the fund. Balances in the fund shall  
13 not revert to the general fund or any other fund at the end of  
14 any fiscal year.

15 B. The transportation division fund shall be  
16 administered by the public regulation commission. Money in the  
17 fund is appropriated to the commission to carry out its duties  
18 pursuant to the provisions of the Transportation Network  
19 Company Services Act. Not more than five percent of the fees  
20 collected pursuant to this section shall be used by the  
21 commission for administrative purposes.

22 C. Payments from the transportation division fund  
23 shall be made upon vouchers issued and signed by the director  
24 of the administrative services division of the public  
25 regulation commission or the director's authorized

.201149.2

1 representative upon warrants drawn by the secretary of finance  
 2 and administration.

3 SECTION 22. [NEW MATERIAL] RECORDS PURSUANT TO RULES OF  
 4 THE PUBLIC REGULATION COMMISSION.--

5 A. A transportation network company holding a  
 6 permit issued by the public regulation commission shall  
 7 maintain the records required pursuant to the Transportation  
 8 Network Company Services Act to be collected by the  
 9 transportation network company, including records regarding  
 10 transportation network company drivers.

11 B. In response to a specific complaint, the public  
 12 regulation commission, its employees or its duly authorized  
 13 agents may inspect those records held by a transportation  
 14 network company for the investigation and resolution of the  
 15 complaint.

16 C. No more than semiannually and as determined by  
 17 the public regulation commission, the commission, its employees  
 18 or its duly authorized agents may, in a mutually agreed  
 19 setting, inspect those records held by a transportation network  
 20 company whose review is necessary to ensure public safety;  
 21 provided that such review shall be on an audit rather than a  
 22 comprehensive basis.

23 D. Any proprietary records obtained by the public  
 24 regulation commission pursuant to this section shall not be  
 25 subject to disclosure by the commission.

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1           SECTION 23.   ~~[NEW MATERIAL]~~ ADMINISTRATIVE PENALTIES.--

2           A.   If the public regulation commission finds after  
3 investigation that a provision of the Transportation Network  
4 Company Services Act or an order or rule of the commission is  
5 being, has been or is about to be violated, it may issue an  
6 order specifying the actual or proposed acts or omissions to  
7 act that constitute a violation and require that the violation  
8 be discontinued, rectified or prevented.

9           B.   Notwithstanding the existence of any other  
10 penalties, the public regulation commission may assess an  
11 administrative fine of not more than one thousand dollars  
12 (\$1,000) for each violation of a provision of the  
13 Transportation Network Company Services Act or of a lawful rule  
14 or order of the commission. In the case of a continuing  
15 violation, each day's violation shall be deemed to be a  
16 separate and distinct offense.

17           C.   All penalties accruing under the Transportation  
18 Network Company Services Act shall be cumulative, and a suit  
19 for recovery of one penalty shall not be a bar to or affect the  
20 recovery of any other penalty or be a bar to any criminal  
21 prosecution.

22           SECTION 24.   ~~[NEW MATERIAL]~~ INVOLUNTARY SUSPENSION AND  
23 REVOCATION.--

24           A.   The public regulation commission shall  
25 immediately suspend, without notice or a hearing, the permit of

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1 a transportation network company for failure to:

2 (1) continuously maintain the amounts of  
3 financial responsibility prescribed by the Transportation  
4 Network Company Services Act;

5 (2) pay the fees owed by the transportation  
6 network company and the transportation network company's  
7 drivers; or

8 (3) operate in a manner that does not pose an  
9 immediate or imminent threat to public safety.

10 B. Once suspended, the transportation network  
11 company may apply for reinstatement by requesting a public  
12 hearing before the public regulation commission. At the public  
13 hearing on reinstatement, the transportation network company  
14 shall have the burden of proving that the reasons for the  
15 suspension no longer pertain.

16 SECTION 25. Section 66-5-205.3 NMSA 1978 (being Laws  
17 2003, Chapter 171, Section 1) is amended to read:

18 "66-5-205.3. MOTOR VEHICLE INSURANCE POLICY--  
19 PROCEDURES.--

20 A. A motor vehicle insurance policy shall:

21 (1) designate by explicit description or by  
22 appropriate reference all motor vehicles to which coverage is  
23 to be granted; and

24 (2) insure the person named in the policy and  
25 a person using any such motor vehicle with the express or

.201149.2

1 implied permission of the named insured against loss from the  
2 liability imposed by law for damages arising out of the  
3 ownership, maintenance or use of the motor vehicle within a  
4 jurisdiction, subject to the requirement to provide evidence of  
5 financial responsibility pursuant to the Mandatory Financial  
6 Responsibility Act.

7 B. A motor vehicle insurance policy shall insure a  
8 person named as insured against loss from the liability imposed  
9 upon the person by law for damages arising out of the use, with  
10 the express or implied permission of the owner or person in  
11 lawful possession, of a motor vehicle that the insured person  
12 does not own. The policy shall insure the person within the  
13 same territorial limits and in compliance with the requirement  
14 of evidence of financial responsibility as set forth in the  
15 Mandatory Financial Responsibility Act with respect to a motor  
16 vehicle insurance policy. A motor vehicle liability policy in  
17 which the described vehicle is a private passenger car is not  
18 required to provide liability insurance coverage for a non-  
19 owned truck tractor designed to pull a trailer or semitrailer.

20 C. Permitted exceptions to coverage otherwise  
21 required by Subsections A and B of this section may include the  
22 following if excluded by the motor vehicle insurance policy:

- 23 (1) an automobile business exclusion;
- 24 (2) a furnished for regular use exclusion;
- 25 (3) a vehicle rented for business use

1 exclusion if the exclusion is contained in the motor vehicle  
2 insurance policy and is enforceable;

3 (4) an exclusion for any liability of the  
4 United States government or its agencies when the provisions of  
5 the Federal Tort Claims Act apply;

6 (5) an exclusion for liability of the insured  
7 under any workers' compensation law;

8 (6) an exclusion for damages to property owned  
9 by, rented to, in the charge of or transported by an insured;  
10 provided, however, that this exclusion shall not apply to  
11 damages to a residence or private garage rented by an insured;  
12 and

13 (7) an exclusion to apply when a vehicle is  
14 rented to others, made available to carry persons for a charge  
15 or used to carry persons for a charge, including when a vehicle  
16 is being used while logged into a transportation network  
17 company's digital network and available to take requests for  
18 transportation and when the vehicle is being used to provide  
19 transportation network company services; provided, however,  
20 that this exclusion shall not apply to use on a shared expense  
21 basis.

22 D. The motor vehicle insurance policy shall state  
23 the name and address of the insured, the coverage afforded by  
24 the policy, the premium charged, the policy period and the  
25 limits of liability. The policy shall also contain an

.201149.2

1 agreement or endorsement that states that the insurance is:

2 (1) provided in accordance with the coverage  
3 defined in the Mandatory Financial Responsibility Act regarding  
4 bodily injury and death or property damage or both; and

5 (2) subject to all the provisions of that act.

6 E. Every motor vehicle insurance policy shall be  
7 subject to the following provisions, which may be contained in  
8 the policy:

9 (1) the policy may not be canceled or annulled  
10 as to the liability of the insurance carrier with respect to  
11 the insurance required by the Mandatory Financial  
12 Responsibility Act by an agreement between the insurance  
13 carrier and the insured after the occurrence of the injury or  
14 damage;

15 (2) the satisfaction by the insured of a  
16 judgment for injury or damage shall not be a condition  
17 precedent to the right or duty of the insurance carrier to pay  
18 on account of injury or damage;

19 (3) the insurance carrier has the right to  
20 settle a claim covered by the policy. If the settlement is  
21 made in good faith, the amount of the settlement is deductible  
22 from the limits of liability specified in the Mandatory  
23 Financial Responsibility Act; and

24 (4) the policy, the declarations page, the  
25 written application and a rider or an endorsement that does not



1 conflict with the provisions of the Mandatory Financial  
2 Responsibility Act constitute the entire contract between the  
3 parties.

4 F. A binder issued pending the issuance of a motor  
5 vehicle insurance policy is deemed to fulfill the requirements  
6 for the policy."

7 SECTION 26. EFFECTIVE DATE.--The effective date of the  
8 provisions of this act is July 1, 2015.

underscored material = new  
[bracketed material] = delete

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