

HOUSE BILL No. 5522

February 6, 2018, Introduced by Reps. Bellino, Sheppard, LaFave, Kahle, Theis and Miller
and referred to the Committee on Insurance.

A bill to amend 2016 PA 345, entitled
"Limousine, taxicab, and transportation network company act,"
by amending sections 19, 21, and 23 (MCL 257.2119, 257.2121, and
257.2123).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 19. **(1)** A limousine carrier shall acquire ~~the following~~
2 **BODILY INJURY AND PROPERTY DAMAGE LIABILITY** insurance coverage for
3 acts or omissions of the applicant as a limousine carrier ÷
4 ~~—— (a) Bodily injury and property damage liability insurance with~~
5 a minimum combined single limit of \$1,000,000.00 for all persons
6 injured or for property damage.
7 **(2)** ~~(b) Personal protection insurance and property protection~~
8 ~~insurance as required by chapter 31 of the insurance code of 1956,~~
9 ~~1956 PA 218, MCL 500.3101 to 500.3179.~~ A limousine carrier shall

1 maintain the insurance described in this section as a condition of
2 maintaining a license issued under this act.

3 Sec. 21. A taxicab carrier shall acquire ~~all of the following~~
4 **BODILY INJURY AND PROPERTY DAMAGE LIABILITY** insurance coverage for
5 acts or omissions of the applicant as a taxicab carrier ÷

6 ~~— (a) Bodily injury and property damage liability insurance with~~
7 a minimum combined single limit of \$300,000.00 for all persons
8 injured or for property damage.

9 ~~— (b) Personal protection insurance and property protection~~
10 ~~insurance as required by chapter 31 of the insurance code of 1956,~~
11 ~~1956 PA 218, MCL 500.3101 to 500.3179.~~

12 Sec. 23. (1) ~~Beginning on the effective date of this act,~~
13 **MARCH 21, 2017**, a transportation network company driver, or a
14 transportation network company on a transportation network company
15 driver's behalf, shall maintain primary automobile insurance on a
16 personal vehicle that recognizes that the transportation network
17 company driver uses the vehicle as a transportation network company
18 driver or otherwise uses a vehicle to transport passengers for
19 compensation and covers the transportation network company driver
20 while he or she is logged on to the transportation network
21 company's digital network or while he or she is engaged in a
22 transportation network company prearranged ride.

23 (2) During the time that a transportation network company
24 driver is logged on to the transportation network company's digital
25 network and is available to receive transportation requests but is
26 not engaged in a transportation network company prearranged ride,
27 ~~all of the following types of automobile insurance are required:~~

~~1 (a) Residual third party automobile liability insurance as~~
~~2 required under~~ **THAT COMPLIES WITH** ~~section 3101-3009~~ of the
~~3 insurance code of 1956, 1956 PA 218, MCL 500.3101,~~ **500.3009**, in the
~~4 amount of at least \$50,000.00 per person for death or bodily~~
~~5 injury, \$100,000.00 per incident for death or bodily injury, and~~
~~6 \$25,000.00 for property damage~~ **IS REQUIRED.**

~~7 (b) Personal protection insurance and property protection~~
~~8 insurance in the amounts and of the types of coverage required by~~
~~9 chapter 31 of the insurance code of 1956, 1956 PA 218, MCL 500.3101~~
~~10 to 500.3179.~~

11 (3) During the time that a transportation network company
12 driver is engaged in a transportation network company prearranged
13 ride, ~~all of the following types of automobile insurance are~~
14 ~~required.~~

~~15 (a) Residual third party automobile liability insurance~~ **THAT**
~~16 COMPLIES WITH SECTION 3009 OF THE INSURANCE CODE OF 1956, 1956 PA~~
~~17 218, MCL 500.3009~~, with a minimum combined single limit of
18 \$1,000,000.00 for all bodily injury or property damage **IS REQUIRED.**

~~19 (b) Personal protection insurance and property protection~~
~~20 insurance in the amounts and of the types of coverage required by~~
~~21 chapter 31 of the insurance code of 1956, 1956 PA 218, MCL 500.3101~~
~~22 to 500.3179.~~

23 (4) The requirements of subsections (2) and (3) may be
24 satisfied by automobile insurance maintained by a transportation
25 network company driver or a transportation network company, or a
26 combination of both.

27 (5) If the insurance required by subsection (2) or (3) lapses

1 or does not provide the required coverage, insurance maintained by
2 a transportation network company ~~shall~~**MUST** provide the coverage
3 required by this section, beginning with the first \$1.00 of a
4 claim, and the transportation network company's insurer shall
5 defend the claim.

6 (6) Coverage provided under an automobile insurance policy
7 maintained by a transportation network company ~~shall~~**MUST** not be
8 dependent ~~upon~~**ON** a personal automobile insurer denying the claim
9 first and shall not require a personal automobile insurer to deny
10 the claim first.

11 (7) All of the following apply to the automobile insurance
12 described in subsections (2) and (3):

13 (a) It may be placed with an insurer licensed under chapter 4
14 of the insurance code of 1956, 1956 PA 218, MCL 500.402 to 500.480,
15 or, if the insurance is maintained by a transportation network
16 company, an eligible unauthorized insurer under chapter 19 of the
17 insurance code of 1956, 1956 PA 218, MCL 500.1901 to 500.1955.

18 (b) The insurance policy satisfies the financial
19 responsibility requirements described in chapter V of the Michigan
20 vehicle code, 1949 PA 300, MCL 257.501 to 257.532.

21 (8) A transportation network company driver shall carry proof
22 of the insurance required under subsections (2) and (3) with him or
23 her at all times during his or her use of a personal vehicle in
24 connection with a transportation network company's digital network.
25 The transportation network company driver may provide proof of
26 insurance by a paper or electronic copy of the certificate of
27 insurance. If an accident occurs during the time that a

1 transportation network company driver is using a personal vehicle
2 in connection with a transportation network company's digital
3 network, he or she shall provide all of the following information
4 upon request to directly interested parties, automobile insurers,
5 and investigating law enforcement officers as required under
6 section 328 of the Michigan vehicle code, 1949 PA 300, MCL 257.328:

7 (a) Insurance coverage information.

8 (b) Whether he or she was logged on to the transportation
9 network company's digital network or on a transportation network
10 company prearranged ride at the time of the accident.

11 (9) If a transportation network company's insurer makes a
12 payment for a claim covered under comprehensive coverage or
13 collision coverage, the transportation network company's insurer
14 shall issue the payment directly to the business repairing the
15 vehicle or jointly to the owner of the vehicle and the primary
16 lienholder on the vehicle.

17 (10) A transportation network company shall disclose all of
18 the following information in writing to a transportation network
19 company driver before ~~that~~**THE** transportation network company
20 driver may accept a request for a transportation network company
21 prearranged ride on ~~that~~**THE** transportation network company's
22 digital network:

23 (a) The insurance coverage, including the types of coverage
24 and limits for each type of coverage, that the transportation
25 network company provides while the transportation network company
26 driver uses a personal vehicle in connection with the
27 transportation network company's digital network.

1 (b) That, depending on the terms of the policy, the
2 transportation network company driver's personal automobile
3 insurance policy might not provide coverage while the
4 transportation network company driver is logged on to the
5 transportation network company's digital network or is engaged in a
6 prearranged ride.

7 Enacting section 1. This amendatory act takes effect January
8 1, 2020.

9 Enacting section 2. This amendatory act does not take effect
10 unless Senate Bill No. ____ or House Bill No. 5517 (request no.
11 04146'17) of the 99th Legislature is enacted into law.