



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB2811

Introduced 2/17/2016, by Sen. William R. Haine

SYNOPSIS AS INTRODUCED:

215 ILCS 5/143.13b new
625 ILCS 57/5
625 ILCS 57/10
625 ILCS 57/20
625 ILCS 57/25
625 ILCS 57/30
625 ILCS 57/32

Amends the Illinois Insurance Code. Provides that automobile insurers may exclude any or all coverage to a transportation network company driver's personal vehicle for any loss or injury that occurs while the driver is logged on to the transportation network company's digital network or while the driver is engaged in a prearranged ride. Amends the Transportation Network Providers Act. Provides definitions for: digital network, personal vehicle, prearranged ride, and transportation network company passenger. Provides automobile insurance requirements for a transportation network company and a transportation network company driver while a driver is logged on to the transportation network company's digital network and while a driver is engaged in a prearranged ride. Effective immediately.

LRB099 16811 AXK 41158 b

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Insurance Code is amended by adding
5 Section 143.13b as follows:

6 (215 ILCS 5/143.13b new)

7 Sec. 143.13b. Coverage for transportation network company
8 drivers.

9 (a) For the purposes of this Section, "transportation
10 network company", "transportation network company driver",
11 "personal vehicle", "digital network", and "prearranged ride"
12 have the meaning as defined in the Transportation Network
13 Providers Act.

14 (b) Insurers that write automobile insurance in this State
15 may exclude any or all coverage afforded under a policy issued
16 to a transportation network company driver's personal vehicle
17 for any loss or injury that occurs while a transportation
18 network company driver is logged on to the transportation
19 network company's digital network or while the driver is
20 providing a prearranged ride. This right to exclude coverage
21 may apply to any policy, including, but not limited to:

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

- 1 (2) personal injury protection coverage;
2 (3) uninsured and underinsured motorist coverage;
3 (4) medical payments coverage;
4 (5) comprehensive physical damage coverage; and
5 (6) collision physical damage coverage.

6 (c) Automobile insurers that exclude coverage under this
7 Section shall have no duty to defend or indemnify any expressly
8 excluded claim. An insurer who defends or indemnifies a claim
9 that is excluded under its policy under this Section shall have
10 a right to contribution against other insurers that provide
11 automobile insurance to the same driver.

12 (d) In a claims coverage investigation, any insurer
13 potentially providing coverage to the transportation network
14 company driver's personal vehicle shall cooperate with the
15 transportation network company to facilitate the exchange of
16 relevant information with directly involved parties, including
17 the precise times that the transportation network company
18 driver logged on or off of the digital network in a 12 hour
19 period immediately preceding and in a 12 hour period
20 immediately following the accident, and the description of
21 coverage, exclusions, and limits provided under the insurance
22 coverage.

23 Section 10. The Transportation Network Providers Act is
24 amended by changing Sections 5, 10, 20, 25, 30, and 32 as
25 follows:

1 (625 ILCS 57/5)

2 (Section scheduled to be repealed on June 1, 2020)

3 Sec. 5. Definitions.

4 "Digital network" means any online-enabled application,
5 software, website, or system offered or utilized by the
6 transportation network company that enables the prearrangement
7 of rides with transportation network company drivers.

8 "Personal vehicle" means a vehicle that is used by a
9 transportation network company driver and is:

10 (1) owned, leased, or otherwise authorized for use by
11 the transportation network company driver; and

12 (2) not a taxicab, limousine, or other for-hire
13 vehicle.

14 "Prearranged ride" means the provision of transportation
15 given by a transportation network company driver to a
16 transportation network company passenger through a digital
17 network controlled by a transportation network company,
18 continuing while the driver transports a requesting passenger,
19 and ending when the last requesting passenger departs from the
20 personal vehicle. Prearranged ride does not include
21 transportation provided by a taxi, limousine, or other for-hire
22 vehicle, as defined in the Illinois Vehicle Code.

23 "Transportation network company" or "TNC" means a
24 corporation, partnership, sole proprietorship, or other an
25 entity operating in this State that uses a digital network or

1 ~~software application service~~ to connect transportation network
2 company passengers to ~~transportation network company services~~
3 ~~provided by~~ transportation network company drivers who provide
4 prearranged rides. A TNC shall ~~is~~ not be deemed to ~~own,~~
5 control, direct ~~operate,~~ or manage ~~the~~ personal vehicles or
6 transportation network company drivers that connect to its
7 digital network, except when agreed to by written contract used
8 ~~by TNC drivers, and is not a taxicab association or a for hire~~
9 ~~vehicle owner.~~

10 "Transportation network company driver" or "TNC driver"
11 means an individual who ~~operates a motor vehicle that is:~~

12 (1) receives connections to potential passengers and
13 related services from a transportation network company in
14 exchange for payment of a fee; and ~~owned, leased, or~~
15 ~~otherwise authorized for use by the individual;~~

16 (2) upon connection through a digital network
17 controlled by a transportation network company, uses a
18 personal vehicle to offer or provide a prearranged ride to
19 passengers in return for compensation or payment of a fee
20 from the transportation network company. ~~not a taxicab or~~
21 ~~for hire public passenger vehicle; and~~

22 ~~(3) used to provide transportation network company~~
23 ~~services.~~

24 "Transportation network company passenger" or "passenger"
25 means an individual who uses a transportation network company's
26 digital network to connect with a transportation network driver

1 who provides prearranged rides to the passenger in the driver's
2 personal vehicle between points chosen by the passenger.

3 ~~"Transportation network company services" or "TNC~~
4 ~~services" means transportation of a passenger between points~~
5 ~~chosen by the passenger and prearranged with a TNC driver~~
6 ~~through the use of a TNC digital network or software~~
7 ~~application. TNC services shall begin when a TNC driver accepts~~
8 ~~a request for transportation received through the TNC's digital~~
9 ~~network or software application service, continue while the TNC~~
10 ~~driver transports the passenger in the TNC driver's vehicle,~~
11 ~~and end when the passenger exits the TNC driver's vehicle. TNC~~
12 ~~service is not a taxicab, for hire vehicle, or street hail~~
13 ~~service.~~

14 (Source: P.A. 98-1173, eff. 6-1-15.)

15 (625 ILCS 57/10)

16 (Section scheduled to be repealed on June 1, 2020)

17 Sec. 10. Insurance.

18 (a) Transportation network companies and participating TNC
19 drivers shall comply with the automobile liability insurance
20 requirements of this Section as required.

21 (a-5) TNC drivers, or transportation network companies on
22 the behalf of TNC drivers, shall maintain primary automobile
23 insurance that:

24 (1) recognizes the driver as a TNC driver; and

25 (2) covers the driver while the driver is logged on to

1 the TNC digital network or while the driver is engaged in a
2 prearranged ride.

3 (b) The following automobile liability insurance
4 requirements shall apply while ~~from the moment~~ a participating
5 TNC driver is logged ~~logs~~ on to the transportation network
6 company's digital network and is able to receive requests, but
7 is not engaged in a prearranged ride ~~or software application~~
8 ~~until the TNC driver accepts a request to transport a~~
9 ~~passenger, and from the moment the TNC driver completes the~~
10 ~~transaction on the digital network or software application or~~
11 ~~the ride is complete, whichever is later, until the TNC driver~~
12 ~~either accepts another ride request on the digital network or~~
13 ~~software application or logs off the digital network or~~
14 ~~software application:~~

15 (1) Primary automobile ~~Automobile~~ liability insurance
16 ~~shall be~~ in the amount of at least \$50,000 for death and
17 personal injury per person, \$100,000 for death and personal
18 injury per incident, and \$25,000 for property damage.

19 (2) The coverage requirements ~~Contingent automobile~~
20 ~~liability insurance in the amounts required in paragraph~~
21 (1) of this subsection (b) may be satisfied by any of the
22 following: ~~shall be maintained by a transportation network~~
23 ~~company and provide coverage in the event a participating~~
24 ~~TNC driver's own automobile liability policy excludes~~
25 ~~coverage according to its policy terms or does not provide~~
26 ~~at least the limits of coverage required in paragraph (1)~~

1 ~~of this subsection (b).~~

2 (A) automobile insurance maintained by the TNC
3 driver;

4 (B) automobile insurance maintained by the
5 transportation network company; or

6 (C) any combination of subparagraphs (A) and (B).

7 (3) Coverage under an automobile insurance policy
8 maintained by a TNC under this subsection (b) shall not be
9 dependent on a personal automobile insurer first denying a
10 claim nor shall a personal automobile insurance policy be
11 required to first deny a claim.

12 (c) The following automobile liability insurance
13 requirements shall apply while ~~from the moment~~ a TNC driver is
14 engaged in a prearranged ride ~~accepts a ride request on the~~
15 ~~transportation network company's digital network or software~~
16 ~~application until the TNC driver completes the transaction on~~
17 ~~the digital network or software application or until the ride~~
18 ~~is complete, whichever is later:~~

19 (1) Primary automobile ~~Automobile~~ liability insurance
20 ~~shall be primary and~~ in the amount of at least \$1,000,000
21 for death, personal injury, and property damage. ~~The~~
22 ~~requirements for the coverage required by this paragraph~~
23 ~~(1) may be satisfied by any of the following:~~

24 ~~(A) automobile liability insurance maintained by a~~
25 ~~participating TNC driver;~~

26 ~~(B) automobile liability company insurance~~

1 ~~maintained by a transportation network company; or~~

2 ~~(C) any combination of subparagraphs (A) and (B).~~

3 (2) The Insurance coverage requirements in paragraph
4 (1) of this ~~provided under this~~ subsection (c) may be
5 satisfied by any of the following: ~~shall also provide for~~
6 ~~uninsured motorist coverage and underinsured motorist~~
7 ~~coverage in the amount of \$50,000 from the moment a~~
8 ~~passenger enters the vehicle of a participating TNC driver~~
9 ~~until the passenger exits the vehicle.~~

10 (A) automobile insurance maintained by the TNC
11 driver;

12 (B) automobile insurance maintained by the
13 transportation network company; or

14 (C) any combination of subparagraphs (A) and (B).

15 (3) The insurer, in the case of insurance coverage
16 provided under this subsection (c), shall have the duty to
17 defend and indemnify the insured.

18 (4) Coverage under an automobile ~~liability~~ insurance
19 policy maintained by a TNC ~~required~~ under this subsection
20 (c) shall not be dependent on a personal automobile insurer
21 ~~insurance policy~~ first denying a claim nor shall a personal
22 automobile insurance policy be required to first deny a
23 claim.

24 (c-5) A TNC driver must carry proof of coverage satisfying
25 subsections (b) and (c) of this Section at all times while
26 operating a vehicle in connection with a TNC digital network.

1 (d) In every instance when automobile liability insurance
2 maintained by a participating TNC driver to fulfill the
3 insurance obligations of this Section has lapsed, does not
4 provide the required coverage, or ceased to exist, the
5 transportation network company shall provide the coverage
6 required by this Section beginning with the first dollar of a
7 claim and have the duty to defend the claim.

8 (d-5) In the event of an accident, the TNC driver shall,
9 upon request, provide to interested parties, automobile
10 insurers, and investigating police officers, insurance
11 coverage information and information as to whether the driver
12 was logged on to the TNC digital network or on a prearranged
13 ride at the time of the accident.

14 (e) This Section shall not limit the liability of a
15 transportation network company arising out of an automobile
16 accident involving a participating TNC driver in any action for
17 damages against a transportation network company for an amount
18 above the required insurance coverage.

19 (f) Before a TNC driver is allowed to accept a request for
20 a prearranged ride on the TNC digital network, the ~~The~~
21 transportation network company shall disclose, in writing, to
22 the TNC driver ~~TNC drivers,~~ as part of its agreement with those
23 ~~TNC drivers,~~ the following:

24 (1) the insurance coverage, including the types of
25 coverage and limits for each coverage, ~~of liability~~ that
26 the transportation network company provides while the TNC

1 driver uses a personal vehicle in connection with a
2 transportation network company's digital network ~~or~~
3 ~~software application~~; and

4 (2) that the TNC driver's own automobile insurance
5 policy may not provide coverage while the TNC driver is
6 logged on to the TNC digital network and is able to receive
7 requests or is engaged in a prearranged ride, ~~uses a~~
8 ~~vehicle in connection with a transportation network~~
9 ~~company digital network~~ depending on its terms.

10 (g) An insurance policy required by this Section may be
11 placed with an admitted Illinois insurer, or with an authorized
12 surplus line insurer under Section 445 of the Illinois
13 Insurance Code; and is not subject to any restriction or
14 limitation on the issuance of a policy contained in Section
15 445a of the Illinois Insurance Code.

16 (h) Any insurance policy required by this Section shall
17 satisfy the financial responsibility requirement for a motor
18 vehicle under Sections 7-203 and 7-601 of the Illinois Vehicle
19 Code.

20 (i) If a transportation network company's insurer makes a
21 payment for a claim covered under comprehensive coverage or
22 collision coverage, the transportation network company shall
23 cause its insurer to issue the payment directly to the business
24 repairing the vehicle, or jointly to the owner of the vehicle
25 and the primary lienholder on the covered vehicle.

26 (Source: P.A. 98-1173, eff. 6-1-15; 99-56, eff. 7-16-15.)

1 (625 ILCS 57/20)

2 (Section scheduled to be repealed on June 1, 2020)

3 Sec. 20. Non-discrimination.

4 (a) The TNC shall adopt and notify TNC drivers of a policy
5 of non-discrimination on the basis of destination, race, color,
6 national origin, religious belief or affiliation, sex,
7 disability, age, sexual orientation, or gender identity with
8 respect to passengers and potential passengers.

9 (b) TNC drivers shall comply with all applicable laws
10 regarding non-discrimination against passengers or potential
11 passengers on the basis of destination, race, color, national
12 origin, religious belief or affiliation, sex, disability, age,
13 sexual orientation, or gender identity.

14 (c) TNC drivers shall comply with all applicable laws
15 relating to accommodation of service animals.

16 (d) A TNC shall not impose additional charges for providing
17 services to persons with physical disabilities because of those
18 disabilities.

19 (e) A TNC shall provide passengers an opportunity to
20 indicate whether they require a wheelchair accessible vehicle.
21 If a TNC cannot arrange wheelchair-accessible TNC service in
22 any instance, it shall direct the passenger to an alternate
23 provider of wheelchair-accessible service, if available.

24 (f) If a unit of local government has requirements for
25 licensed chauffeurs not to discriminate in providing service in

1 under-served areas, TNC drivers providing prearranged rides
2 ~~participating in TNC services~~ within that unit of local
3 government shall be subject to the same non-discrimination
4 requirements for providing service in under-served areas.

5 (Source: P.A. 98-1173, eff. 6-1-15.)

6 (625 ILCS 57/25)

7 (Section scheduled to be repealed on June 1, 2020)

8 Sec. 25. Safety.

9 (a) The TNC shall implement a zero tolerance policy on the
10 use of drugs or alcohol while a TNC driver is engaged in a
11 prearranged ride ~~providing TNC services~~ or is logged into the
12 TNC's digital network and is able to receive requests, but is
13 not engaged in a prearranged ride ~~providing TNC services~~.

14 (b) The TNC shall provide notice of the zero tolerance
15 policy on its website, as well as procedures to report a
16 complaint about a driver with whom a passenger was matched and
17 whom the passenger reasonably suspects was under the influence
18 of drugs or alcohol during the course of the trip.

19 (c) Upon receipt of a passenger's complaint alleging a
20 violation of the zero tolerance policy, the TNC shall
21 immediately suspend the TNC driver's access to the TNC's
22 digital network ~~platform~~, and shall conduct an investigation
23 into the reported incident. The suspension shall last the
24 duration of the investigation.

25 (d) The TNC shall require that any motor vehicle that a TNC

1 driver will use to provide prearranged rides ~~TNC services~~ meets
2 vehicle safety and emissions requirements for a private motor
3 vehicle in this State.

4 (e) TNCs or TNC drivers are not common carriers, contract
5 carriers or motor carriers, as defined by applicable State law,
6 nor do they provide taxicab or for-hire vehicle service.

7 (Source: P.A. 98-1173, eff. 6-1-15.)

8 (625 ILCS 57/30)

9 (Section scheduled to be repealed on June 1, 2020)

10 Sec. 30. Operational.

11 (a) A TNC may charge a fare for the services provided to
12 passengers; provided that, if a fare is charged, the TNC shall
13 disclose to passengers the fare calculation method on its
14 website or within the software application service.

15 (b) The TNC shall provide passengers with the applicable
16 rates being charged and the option to receive an estimated fare
17 before the passenger enters the TNC driver's personal vehicle.

18 (c) The TNC's software application or website shall display
19 a picture of the TNC driver, and the license plate number of
20 the motor vehicle utilized for providing the prearranged ride
21 ~~TNC service~~ before the passenger enters the TNC driver's
22 vehicle.

23 (d) Within a reasonable period of time following the
24 completion of a trip, a TNC shall transmit an electronic
25 receipt to the passenger that lists:

- 1 (1) the origin and destination of the trip;
- 2 (2) the total time and distance of the trip; and
- 3 (3) an itemization of the total fare paid, if any.

4 (e) Dispatches for prearranged rides ~~TNC services~~ shall be
5 made only to eligible TNC drivers under Section 15 of this Act
6 who are properly licensed under State law and local ordinances
7 addressing these drivers if applicable.

8 (f) A taxicab may accept a request for transportation
9 received through a TNC's digital network or software
10 application service, and may charge a fare for those services
11 that is similar to those charged by a TNC.

12 (Source: P.A. 98-1173, eff. 6-1-15.)

13 (625 ILCS 57/32)

14 (Section scheduled to be repealed on June 1, 2020)

15 Sec. 32. Preemption. A unit of local government, whether or
16 not it is a home rule unit, may not regulate transportation
17 network companies, transportation network company drivers, or
18 prearranged rides ~~transportation network company services~~ in a
19 manner that is less restrictive than the regulation by the
20 State under this Act. This Section is a limitation under
21 subsection (i) of Section 6 of Article VII of the Illinois
22 Constitution on the concurrent exercise by home rule units of
23 powers and functions exercised by the State.

24 (Source: P.A. 99-56, eff. 7-16-15.)

25 Section 99. Effective date. This Act takes effect upon

1 becoming law.