



January 30, 2017

Senator Mia Costello, Chair
Senate Labor and Commerce Committee
State Capitol, Room 504
Juneau AK, 99801

Re: Senate Bill 14 Transportation Network Companies

Dear Senator Costello:

The American Insurance Association (AIA), National Association of Mutual Insurance Companies (NAMIC), and the Property Casualty Insurers of America (PCI) have reviewed SB 14 and are writing to express our concerns on SB 14 as drafted. SB 14 attempts to address insurance issues with transportation network companies (TNC) such as UBER. As previously conveyed to Senator Costello's office, we believe that SB 14 should conform to the language adopted by the National Conference of Insurance Legislators (NCOIL), which has been adopted by about 40 states to date. In our view, the NCOIL model provides clarity on insurance issues and provides the most protection for consumers whenever a TNC operates in Alaska.

Below are some amendments that we believe UBER has agreed to and would like to see adopted in SB 14:

- Page 1, line 13, delete "offered" and insert "afforded." This is not "offered" coverage, but what is actually provided in the contract.
- Page 2, between lines 14 and 15, insert the following NCOIL language: *Nothing in this Article shall be construed as to require an insurer to use any particular policy language or reference to this section in order to exclude any and all coverage for any loss or injury that occurs while a driver is logged on to a Transportation Network Company's Digital Network or while a Driver provides a Prearranged Ride.*
- Page 2, line 29 remove the word "potentially."
- Page 2 lines 28-31, and Page 3 lines 1-4 must be stricken and replaced with the original NCOIL language for this subsection: *In a claims coverage investigation, Transportation Network Companies shall immediately provide upon request by directly involved parties or any insurer of the Transportation Network Company Driver if applicable, the precise times that a Transportation Network Company Driver logged on and off of the Transportation Network Company's Digital Network in the twelve-hour period immediately preceding and in the twelve-hour*

period immediately following the accident. Insurers potentially providing coverage shall disclose upon request by any other such insurer involved in the particular claim, the applicable coverages, exclusions and limits provided under any automobile insurance maintained in order to satisfy the requirements of Section AS 28.23.050.

The rationale is simple: Under AS Section 28.23.050 (b) and (c), insurance coverage maybe maintained by either the TNC driver or TNC company, and thus disclosure of insurance coverage must be broad (stated differently there could be more than one insurer). Also, the words “a clear description” on page 3 line 4 leads to coverage interpretation of the actual coverage already set forth in the contact itself, which is not required under the NCOIL model and could lead to confusion of what is actually covered or not covered.

- Page 5 Section 28.23.060. – This section must add the underinsured/uninsured coverage, which is mandatory offer at each renewal.

We appreciate your consideration of these amendments and look forward to working with you. If you have questions or comments, feel free to contact anyone of us: Armand Feliciano, ACIC Vice President (PCI / 916-205-2519/ armand.feliciano@pciaa.net), Christian Rataj, Senior Director (NAMIC/ 303-907-0587/ crataj@namic.org), or Katherine Pettibone, Vice President (AIA/ 916-442-7617/ kpettibone@aiadc.org).