

Statement of the National Association of Mutual Insurance Companies (NAMIC)

HB 6349, An Act Concerning Ride-Sharing Companies and Drivers

SB 482, An Act Concerning the Regulation of For-Hire Transportation Services

The National Association of Mutual Insurance Companies (NAMIC) appreciates the opportunity to offer comments on the proposed legislation concerning ride-sharing. NAMIC is the largest property/casualty insurance trade association in the country. Our 1,400 member companies serve more than 135 million auto, home and business policyholders, and write more than \$196 billion in annual premiums. NAMIC members write over 50% of the auto insurance in Connecticut.

The rapidly expanding use of smartphone app-enabled ride sharing programs has raised public policy issues affecting ride-sharing drivers, their passengers, the public and insurers who offer private passenger auto insurance products. NAMIC supports innovation and does not oppose the ride sharing concept. In fact, the advent of ride-sharing provides opportunities for carriers who wish to develop new products for these services.

NAMIC's main concern with ride-sharing lies with the potential gap in coverage between the commercial auto coverage provided by transportation network companies (TNCs) and the TNC drivers' personal auto insurance coverage. It is imperative that all parties understand the coverage they have and when it applies. NAMIC supports laws and regulations that will bring clarity to the insurance aspect of ride-sharing.

In the ride-sharing context, drivers use their personal vehicles to transport customers identified and facilitated by the TNC. However, since the driver is engaged in a commercial activity, the livery exclusion that typically appears in the standard private passenger auto policy would exclude coverage for losses incurred during that period. This creates a coverage gap which must be addressed in any ride sharing legislation by requiring the TNC or its drivers to secure commercial auto insurance for the time the driver is engaged in commercial activity, *i.e.*, from the moment the driver logs into the TNC system until he/she logs out. Not only does this approach capture the actual commercial activity but the time frames for the commercial activity can be verified by the TNC technology. Having this level of clarity will help avoid unnecessary coverage disputes and an unnecessary waste of judicial resources.

The insurance industry worked collaboratively to develop model legislative language that addresses the insurance aspects of ride sharing. The Insurance Association of Connecticut will be providing a copy of the model with its written testimony so I have not included it with our statement. NAMIC participated in the development of the model language and strongly encourages the Committee to incorporate it into any ride-sharing legislation it may fashion.

Thank your for the opportunity to present NAMIC's perspective on this emerging issue.

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