

SENATE BILL NO. 440—COMMITTEE ON  
COMMERCE, LABOR AND ENERGY

MARCH 23, 2015

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions relating to insurance.  
(BDR 57-983)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to insurance; revising provisions relating to  
casualty insurance for certain uses of motor vehicles; and  
providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law requires every owner or operator of a motor vehicle which is  
2 registered in this State to continuously provide insurance for the payment of tort  
3 liabilities arising from the maintenance or use of the motor vehicle subject to  
4 certain requirements for coverage. (NRS 485.185, 485.186) This bill provides  
5 different requirements for coverage for a motor vehicle which is used by a driver in  
6 connection with a transportation network company. **Section 4** of this bill defines a  
7 “transportation network company” as an entity that uses a digital network or  
8 software application service to connect passengers to drivers who can provide  
9 transportation services. **Section 6** of this bill defines “transportation services” as the  
10 transportation by motor vehicle of one or more passengers between points chosen  
11 by the passenger or passengers and prearranged with a driver through the use of the  
12 digital network or software application service of a transportation network  
13 company.

14 **Section 7** of this bill requires a transportation network company to make  
15 certain disclosures to a person before allowing that person to provide transportation  
16 services as a driver. **Section 8** of this bill requires a transportation network  
17 company or a driver to continuously provide insurance subject to certain  
18 requirements for coverage. **Section 8** specifies that the transportation network  
19 company insurance may be provided by the transportation network company, the  
20 driver or both. **Section 8** requires the transportation network company to provide  
21 certain insurance which provides coverage as primary insurance if the insurance  
22 provided by the driver is insufficient for certain reasons. **Section 8** allows a policy  
23 of transportation network company insurance to include certain additional  
24 coverages. **Section 8** prohibits an insurer who provides a policy of transportation



25 network company insurance from requiring a driver's personal policy of  
26 automobile insurance to deny a claim before providing coverage.

27 **Section 9** of this bill provides that a personal policy of automobile insurance is  
28 not required to include transportation network company insurance. **Section 9**  
29 authorizes an insurer to include transportation network company insurance in such  
30 a policy and allows the insurer to charge an additional premium for doing so.

31 **Section 10** of this bill requires a transportation network company, a driver and  
32 an insurer who provides transportation network company insurance to cooperate in  
33 the investigation of an accident. **Section 11** of this bill requires a driver: (1) to carry  
34 proof of transportation network company insurance at all times when the driver is  
35 logged into the digital network or software application service of the transportation  
36 network company, available to receive requests for transportation services or  
37 providing transportation services; and (2) to provide proof of coverage and disclose  
38 certain information to a law enforcement officer and to any other party with whom  
39 the driver is involved in an accident.

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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 690B of NRS is hereby amended by adding  
2 thereto the provisions set forth as sections 2 to 11, inclusive, of this  
3 act.

4 **Sec. 2.** *As used in sections 2 to 11, inclusive, of this act, the*  
5 *words and terms defined in sections 3 to 6, inclusive, of this act*  
6 *have the meanings ascribed to them in those sections.*

7 **Sec. 3.** *“Driver” means a natural person who:*

8 *1. Operates a motor vehicle that is owned, leased or otherwise*  
9 *authorized for use by the person; and*

10 *2. Enters into an agreement with a transportation network*  
11 *company to receive connections to potential passengers and*  
12 *related services from the transportation network company in*  
13 *exchange for the payment of a fee to the transportation network*  
14 *company.*

15 **Sec. 4.** *“Transportation network company” means an entity*  
16 *that uses a digital network or software application service to*  
17 *connect a passenger to a driver who can provide transportation*  
18 *services to the passenger.*

19 **Sec. 5.** *“Transportation network company insurance” means*  
20 *a policy of insurance that includes coverage specifically for the*  
21 *use of a vehicle by a driver pursuant to sections 2 to 11, inclusive,*  
22 *of this act.*

23 **Sec. 6.** *“Transportation services” means the transportation*  
24 *by a driver of one or more passengers between points chosen by*  
25 *the passenger or passengers and prearranged through the use of*  
26 *the digital network or software application service of a*  
27 *transportation network company. The term includes only the*  
28 *period beginning when a driver accepts a request for*



1 *transportation received through the digital network or software*  
2 *application service of a transportation network company and*  
3 *ending when the passenger or passengers exit the motor vehicle*  
4 *operated by the driver.*

5 **Sec. 6.5.** *The provisions of sections 2 to 11, inclusive, of this*  
6 *act do not apply to a person who is regulated pursuant to chapter*  
7 *704 or 706 of NRS.*

8 **Sec. 7.** *Before allowing a natural person to be connected to a*  
9 *potential passenger using the digital network or software*  
10 *application service of a transportation network company to*  
11 *provide transportation services as a driver, a transportation*  
12 *network company shall, in writing:*

13 1. *Disclose the insurance coverage and limits of liability that*  
14 *the transportation network company provides for a driver while*  
15 *the driver is providing transportation services; and*

16 2. *Notify the person that his or her insurance for the*  
17 *operation of a motor vehicle required pursuant to NRS 485.185*  
18 *may not provide coverage for the use of a motor vehicle to provide*  
19 *transportation services.*

20 **Sec. 8. 1.** *Every transportation network company or driver*  
21 *shall continuously provide, during any period in which the driver*  
22 *is providing transportation services, transportation network*  
23 *company insurance provided by an insurance company licensed by*  
24 *the Division of Insurance of the Department of Business and*  
25 *Industry and approved to do business in this State or a broker*  
26 *licensed pursuant to chapter 685A of NRS or procured directly*  
27 *from a nonadmitted insurer, as defined in NRS 685A.0375:*

28 (a) *In an amount of not less than \$1,500,000 for bodily injury*  
29 *to or death of one or more persons and injury to or destruction of*  
30 *property of others in any one accident that occurs while the driver*  
31 *is providing transportation services;*

32 (b) *In an amount of not less than \$50,000 for bodily injury to*  
33 *or death of one person in any one accident that occurs while the*  
34 *driver is logged into the digital network or software application*  
35 *service of the transportation network company and available to*  
36 *receive requests for transportation services but is not otherwise*  
37 *providing transportation services;*

38 (c) *Subject to the minimum amount for one person required by*  
39 *paragraph (b), in an amount of not less than \$100,000 for bodily*  
40 *injury to or death of two or more persons in any one accident that*  
41 *occurs while the driver is logged into the digital network or*  
42 *software application service of the transportation network*  
43 *company and available to receive requests for transportation*  
44 *services but is not otherwise providing transportation services; and*



1 (d) In an amount of not less than \$25,000 for injury to or  
2 destruction of property of others in any one accident that occurs  
3 while the driver is logged into the digital network or software  
4 application service of the transportation network company and  
5 available to receive requests for transportation services but is not  
6 otherwise providing transportation services,  
7 ↪ for the payment of tort liabilities arising from the maintenance  
8 or use of the motor vehicle.

9 2. The transportation network company insurance required  
10 by subsection 1 may be provided through one or a combination of  
11 insurance policies provided by the transportation network  
12 company or the driver, or both.

13 3. Every transportation network company shall continuously  
14 provide, during any period in which the driver is providing  
15 transportation services, transportation network company  
16 insurance provided by an insurance company licensed by the  
17 Division of Insurance of the Department of Business and Industry  
18 and approved to do business in this State or a broker licensed  
19 pursuant to chapter 685A of NRS or procured directly from a  
20 nonadmitted insurer, as defined in NRS 685A.0375, which meets  
21 the requirements of subsection 1 as primary insurance if the  
22 insurance provided by the driver:

23 (a) Lapses; or

24 (b) Fails to meet the requirements of subsection 1.

25 4. Notwithstanding the provisions of NRS 485.185 and  
26 485.186 which require the owner or operator of a motor vehicle to  
27 provide insurance, transportation network company insurance  
28 shall be deemed to satisfy the requirements of NRS 485.185 or  
29 485.186, as appropriate, regardless of whether the insurance is  
30 provided by the transportation network company or the driver, or  
31 both, if the transportation network company insurance otherwise  
32 satisfies the requirements of NRS 485.185 or 485.186, as  
33 appropriate.

34 5. In addition to the coverage required pursuant to subsection  
35 1, a policy of transportation network company insurance may  
36 include additional coverage, including, without limitation,  
37 coverage for medical payments, coverage for uninsured or  
38 underinsured motorists, comprehensive coverage and collision  
39 coverage.

40 6. An insurer who provides transportation network company  
41 insurance shall not require a policy of insurance for the operation  
42 of a motor vehicle required pursuant to NRS 485.185 or 485.186,  
43 as appropriate, to deny a claim before the transportation network  
44 company insurance provides coverage for a claim.



1 7. An insurer who provides transportation network company  
2 insurance has a duty to defend and indemnify the driver and the  
3 transportation network company.

4 8. A transportation network company that provides  
5 transportation network company insurance for a motor vehicle is  
6 not deemed to be the owner of the motor vehicle.

7 **Sec. 9. 1.** A policy of insurance for the operation of a  
8 motor vehicle required pursuant to NRS 485.185 or 485.186, as  
9 appropriate, is not required to include transportation network  
10 company insurance. An insurer providing a policy which excludes  
11 transportation network company insurance does not have a duty to  
12 defend or indemnify a driver for any claim arising during any  
13 period in which the driver is logged into the digital network or  
14 software application service of the transportation network  
15 company, available to receive requests for transportation services  
16 or providing transportation services.

17 2. An insurer who provides a policy of insurance for the  
18 operation of a motor vehicle required pursuant to NRS 485.185 or  
19 485.186, as appropriate, may include transportation network  
20 company insurance in such a policy. An insurer may charge an  
21 additional premium for the inclusion of transportation network  
22 company insurance in such a policy.

23 3. An insurer who:

24 (a) Defends or indemnifies a driver for a claim arising during  
25 any period in which the driver is logged into the digital network or  
26 software application service of the transportation network  
27 company, available to receive requests for transportation services  
28 or providing transportation services; and

29 (b) Excludes transportation network company insurance from  
30 the policy of insurance for the operation of a motor vehicle  
31 provided to the driver,

32 ↪ has the right of contribution against other insurers who provide  
33 coverage to the driver to satisfy the coverage required by section 8  
34 of this act at the time of the loss.

35 **Sec. 10.** In any investigation relating to tort liability arising  
36 from the operation of a motor vehicle, each transportation  
37 network company and driver, and each insurer providing  
38 transportation network company insurance to a transportation  
39 network company or driver, who is involved in the underlying  
40 incident shall cooperate with any other party to the incident and  
41 any other insurer involved in the investigation and share  
42 information, including, without limitation:

43 1. The date and time of an accident involving a driver.

44 2. The dates and times that the driver involved in an accident  
45 logged into the digital network or software application service of



1 *the transportation network company for a period of 12 hours*  
2 *immediately preceding and 12 hours immediately following the*  
3 *accident.*

4 3. *The dates and times that the driver involved in an accident*  
5 *logged out of the digital network or software application service of*  
6 *the transportation network company for a period of 12 hours*  
7 *immediately preceding and 12 hours immediately following the*  
8 *accident.*

9 4. *A clear description of the coverage, exclusions and limits*  
10 *provided under any policy of transportation network company*  
11 *insurance which applies.*

12 **Sec. 11.** 1. *A driver shall carry proof of coverage under a*  
13 *policy of transportation network company insurance at all times*  
14 *when the driver is logged into the digital network or software*  
15 *application service of the transportation network company,*  
16 *available to receive requests for transportation services or*  
17 *providing transportation services.*

18 2. *A driver shall provide proof of coverage under a policy of*  
19 *transportation network company insurance and disclose whether*  
20 *he or she was logged into the digital network or software*  
21 *application service of the transportation network company,*  
22 *available to receive requests for transportation services or*  
23 *providing transportation services at the time of an accident upon*  
24 *request to a law enforcement officer and to any party with whom*  
25 *the driver is involved in an accident.*

