

NEVADA CREDIT UNION LEAGUE – PROPOSED AMENDMENT TO SENATE BILL NO. 440

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) **green bold** is newly added transitory language.

The Nevada Credit Union League (NCUL) proposes the following amendment to SB440. The NCUL supports SB440 and its efforts to protect consumers who drive for a Transportation Network Company (TNC).

We have an interest in the issue because of the automobile loans credit unions provide to our members and the possibility of our members using their personal vehicles to provide TNC services. When one of our credit union members takes out an auto loan we require them to provide us with a proof of insurance from their automobile insurance company naming us as a named insured on the policy. This is done so that credit unions are able to collect from the insurance company in the unfortunate event that our member's vehicle (our collateral) is damaged.

If one of our credit union members decides to use their personal vehicle for TNC services, the personal lines automobile insurer's contract will not provide physical damage coverage if the vehicle is being used for livery. As a result, any damages or losses sustained when the car is being used for TNC services will not be covered by the personal auto policy and there will be no coverage to repair the vehicle. Consequently, consumers are left without a mode of transportation, or the tools to continue making a living, and credit unions are left with loans that will not be paid off.

Our proposed amendments to SB440 will secure an explicit comprehensive and collision insurance requirement for vehicles operated for TNC business purposes. We also seek to add transparency for consumers who drive for TNC companies, by requiring an additional disclosure alerting them to the fact that their personal insurance policy may not cover them for collisions when operating as a TNC driver, as well as notice from the TNC driver to the lienholder that they are using their vehicle for TNC services. Finally, our last amendment would simply require TNCs and TNC drivers to notify their insurer how to direct payment for claims paid under comprehensive or collision coverage.

We believe it is vitally important that personal vehicles used to provide TNC services are properly insured and ensure that credit unions, our members and the public are all protected.

Amendment 1

Our first proposed amendment is intended to secure an explicit comprehensive and collision insurance requirement for vehicles operated for TNC business purposes. It will add a new subsection (e) to Section 8 of SB440.

Sec. 8. 1. Every transportation network company or driver shall continuously provide, during any period in which the driver is providing transportation services, transportation network company insurance provided by an insurance company licensed by the Division of Insurance of the Department of Business and Industry and approved to do business in this State:

(e) Subject to the minimum amount required by the lienholder of the vehicle used to provide transportation services for comprehensive and collision coverage.

Amendment 2

Our second proposed amendment will require notice from the TNC to the TNC driver that their personal insurance policy may not cover them for collisions when operating as a TNC driver, as well as notice from the TNC driver to the lienholder that they are using their vehicle for TNC services. This amendment will add new language to Section 7 of SB440. that the TNC or driver's insurer must cover physical damage.

Sec. 7. Before entering into an agreement with a natural person to provide transportation services as a driver, a transportation network company shall, in writing:

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

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

3. Disclose to the driver that if the vehicle the transportation network driver uses to provide transportation network services has a lien against the vehicle, the transportation network driver is required to notify the lienholder that the transportation network driver is using the vehicle to provide transportation network services and that using a vehicle with a lien against the vehicle to provide transportation network services may violate the transportation network driver's contract with the lienholder; and

4. A transportation network company shall also disclose in writing to participating drivers, as part of its agreement with those drivers, that the driver's personal automobile insurance policy will not provide collision or comprehensive coverage for damage to the vehicle used by the driver from the moment the driver logs on to the transportation network company's online-enabled application or platform to the moment the driver logs off the transportation network company's online-enabled application or platform.

Amendment 3

Our third change would add a new Subsection (9) to Section 8 of SB440 to require TNCs and TNC drivers to notify their insurer how to direct payment for claims paid under comprehensive or collision coverage.

Sec. 8

(9) If the insurer for a transportation network company or a transportation network driver insures a vehicle with a lien against the vehicle, and that insurer covers a claim regarding the vehicle under comprehensive or collision coverage, the transportation network company or transportation network driver shall direct the insurer to issue the payment for the claim: (a) directly to the person that is repairing the vehicle; or (b) jointly to the owner of the vehicle and the primary lienholder.

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