

House Engrossed

insurance coverage requirements; transportation companies.

State of Arizona  
House of Representatives  
Fifty-sixth Legislature  
Second Regular Session  
2024

# HOUSE BILL 2729

AN ACT

AMENDING SECTIONS 28-4038 AND 28-4039, ARIZONA REVISED STATUTES; RELATING  
TO TRANSPORTATION FINANCIAL RESPONSIBILITY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 28-4038, Arizona Revised Statutes, is amended to  
3 read:

4 28-4038. Transportation network services; financial  
5 responsibility requirements; survey

6 A. For a transportation network company that requires a  
7 transportation network company driver to accept rides that are booked and  
8 paid for exclusively through the transportation network company's digital  
9 network or software application and during the time in which the  
10 transportation network company driver is logged in to the transportation  
11 network company's digital network or software application to be a driver,  
12 but is not in the act of providing transportation network services, the  
13 transportation network company driver or the transportation network  
14 company, or both, shall provide primary motor vehicle liability insurance  
15 coverage in the amount of \$25,000 because of bodily injury to or death of  
16 one person in any one accident, subject to the limit for one person,  
17 \$50,000 because of bodily injury to or death of two or more persons in any  
18 one accident and \$20,000 because of injury to or destruction of property  
19 of others in any one accident. Coverage shall be maintained through any  
20 of the following:

21 1. A private passenger motor vehicle policy maintained by the  
22 transportation network company driver that expressly provides liability  
23 coverage while the driver is logged in to the transportation network  
24 company's digital network or software application to be a driver.

25 2. A motor vehicle liability policy maintained by the  
26 transportation network company.

27 3. A commercial motor vehicle liability policy.

28 B. For a transportation network company that requires a  
29 transportation network company driver to accept rides that are booked and  
30 paid for exclusively through the transportation network company's digital  
31 network or software application and during the time in which the  
32 transportation network company driver is providing transportation network  
33 services, the transportation network company driver or the transportation  
34 network company, or both, shall maintain the following insurance  
35 coverages:

36 1. Primary commercial motor vehicle liability insurance that covers  
37 the transportation network company driver's provision of transportation  
38 network services in a minimum amount of \$250,000 per incident, **EXCEPT THAT**  
39 **THE MINIMUM AMOUNT SHALL BE \$1,000,000 PER INCIDENT WHEN A PASSENGER TO**  
40 **WHOM THE TRANSPORTATION NETWORK COMPANY DRIVER IS PROVIDING TRANSPORTATION**  
41 **NETWORK SERVICES IS OCCUPYING THE TRANSPORTATION NETWORK COMPANY VEHICLE.**

42 2. **PRIMARY** commercial uninsured motorist coverage in a minimum  
43 amount of ~~\$250,000~~ **EITHER OF THE FOLLOWING, WHICHEVER IS GREATER:**

44 (a) **\$25,000 PER PERSON AND \$75,000** per incident.

1 (b) THE MINIMUM LIABILITY LIMITS FOR BODILY INJURY OR DEATH  
2 PRESCRIBED IN SECTION 28-4009.

3 C. Unless an insurance policy expressly provides coverage or  
4 contains an amendment or endorsement that expressly provides coverage, the  
5 transportation network company driver's insurance policy and the motor  
6 vehicle owner's personal motor vehicle insurance policy shall not be  
7 required to provide coverage for the transportation network company  
8 vehicle, the transportation network company driver, the motor vehicle  
9 owner or any third party while a transportation network company driver is  
10 logged in to a transportation network company's digital network or  
11 software application to be a driver or is providing transportation network  
12 services.

13 D. Notwithstanding subsection C of this section, an insurer may  
14 offer, for the period during which a transportation network company driver  
15 is logged in to a transportation network company's digital network or  
16 software application to be a driver or is providing transportation network  
17 services, one of the following:

18 1. A motor vehicle liability insurance policy expressly providing  
19 such coverage.

20 2. An amendment or endorsement to an existing motor vehicle  
21 liability insurance policy specifically providing such coverage.

22 E. An insurance policy required by this section is deemed to  
23 satisfy the financial responsibility requirements for a motor vehicle  
24 insurance policy under this title.

25 F. A transportation network company driver shall carry proof of  
26 insurance in the transportation network company vehicle at all times while  
27 logged in to a transportation network company's digital network or  
28 software application to be a driver or is providing transportation network  
29 services. If an accident occurs involving a transportation network  
30 company vehicle, the transportation network company driver shall provide  
31 proof of insurance to the parties involved in the accident at the time of  
32 the accident. The transportation network company driver shall also notify  
33 the transportation network company of the accident.

34 G. In a claims coverage investigation, transportation network  
35 companies and any insurer providing coverage as prescribed in this section  
36 shall fully cooperate in the exchange of information, including the  
37 precise times that a transportation network company driver logged on and  
38 off of the transportation network company's digital network or software  
39 application in the twenty-four-hour period immediately preceding the  
40 accident, and shall disclose to each other a clear description of the  
41 coverage, exclusions and limits provided under any insurance policy each  
42 party issued or maintained.

43 H. This section and section 28-4009 do not create an obligation for  
44 an insurer that issues coverage to which section 20-1631 applies to offer,  
45 provide or issue a motor vehicle liability insurance policy or an

1 endorsement or amendment that includes coverage for any liability arising  
2 while a transportation network company driver is logged in to the  
3 transportation network company's digital network or software application  
4 to be a driver or is providing transportation network services.

5 I. An insurance policy required by this section may be placed with  
6 an insurer authorized to transact insurance in this state pursuant to  
7 title 20, chapter 2, article 1 or a surplus lines insurer pursuant to  
8 title 20, chapter 2, article 5.

9 J. The department of insurance and financial institutions, as part  
10 of its annual survey of insurance companies, may request information from  
11 any property and casualty insurer authorized to write private passenger  
12 motor vehicle coverage in this state, including information regarding:

13 1. Whether the insurer offers for purchase a policy or an  
14 endorsement or amendment that covers transportation network company  
15 drivers while the driver is logged in to a transportation network  
16 company's digital network or software application to be a driver or is  
17 providing transportation network services.

18 2. The number of those policies, endorsements or amendments that  
19 have been purchased during the reporting period.

20 3. The number of those policies, endorsements or amendments that  
21 have been canceled during the reporting period.

22 Sec. 2. Section 28-4039, Arizona Revised Statutes, is amended to  
23 read:

24 28-4039. Taxi, livery vehicle or limousine; financial  
25 responsibility

26 A. Motor vehicle liability insurance for a taxi, livery vehicle or  
27 limousine may be maintained as follows:

28 1. During the time in which the taxi, livery vehicle or limousine  
29 driver is available to provide passenger transportation, but has not  
30 accepted a ride request and is not in the act of providing passenger  
31 transportation, primary commercial motor vehicle liability insurance  
32 coverage in the amount of ~~twenty-five thousand dollars~~ \$25,000 because of  
33 bodily injury to or death of any one person in any one accident, subject  
34 to the limit for one person, ~~fifty thousand dollars~~ \$50,000 because of  
35 bodily injury to or death of two or more persons in any one accident and  
36 ~~twenty thousand dollars~~ \$20,000 because of injury to or destruction of  
37 property of others in any one accident. This policy may be maintained by  
38 either the driver or the company.

39 2. After the taxi, livery vehicle or limousine driver has accepted  
40 a ride request through any communication and during the time in which the  
41 taxi, livery vehicle or limousine driver is providing passenger  
42 transportation, the taxi, livery vehicle or limousine driver or the taxi,  
43 livery vehicle or limousine company shall maintain the following insurance  
44 coverage:

1 (a) Primary commercial motor vehicle liability insurance in a  
2 minimum amount of ~~two hundred fifty thousand dollars~~ \$250,000 per  
3 incident.

4 (b) PRIMARY commercial uninsured motorist coverage in a minimum  
5 amount of ~~two hundred fifty thousand dollars~~ EITHER OF THE FOLLOWING,  
6 WHICHEVER IS GREATER:

7 (i) \$25,000 PER PERSON AND \$75,000 per incident.

8 (ii) THE MINIMUM LIABILITY AMOUNTS FOR BODILY INJURY OR DEATH  
9 PRESCRIBED IN SECTION 28-4009.

10 B. A taxi, livery vehicle or limousine driver shall carry proof of  
11 insurance in the vehicle at all times while providing transportation  
12 services. If an accident occurs involving a taxi, livery vehicle or  
13 limousine, the taxi, livery vehicle or limousine driver shall provide  
14 proof of insurance to the parties involved in the accident at the time of  
15 the accident. The taxi, livery vehicle or limousine driver shall also  
16 notify the taxi, livery vehicle or limousine company of the accident.

17 C. In a claims coverage investigation, a taxi, livery vehicle or  
18 limousine company and any insurer providing coverage as prescribed in this  
19 section shall fully cooperate in the exchange of information and shall  
20 disclose to each other a clear description of the coverage, exclusions and  
21 limits provided under any insurance policy that each party issued or  
22 maintained.