

# SENATE BILL 701

C5, R7

9lr1385  
CF 9lr1923

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By: **Senator Kramer**

Introduced and read first time: February 4, 2019

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Transportation Network Companies – Insurance**

3 FOR the purpose of authorizing the Motor Vehicle Administration to accept, under certain  
4 circumstances, certain forms of security from a transportation network company in  
5 place of a certain insurance policy; defining certain terms; making a conforming  
6 change; and generally relating to insurance for transportation network companies.

7 BY repealing and reenacting, with amendments,  
8 Article – Public Utilities  
9 Section 10–405(e)  
10 Annotated Code of Maryland  
11 (2010 Replacement Volume and 2018 Supplement)

12 BY repealing and reenacting, with amendments,  
13 Article – Transportation  
14 Section 17–103  
15 Annotated Code of Maryland  
16 (2012 Replacement Volume and 2018 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
18 That the Laws of Maryland read as follows:

19 **Article – Public Utilities**

20 10–405.

21 (e) **[Insurance] SUBJECT TO § 17–103(A) OF THE TRANSPORTATION**  
22 **ARTICLE, INSURANCE** required under subsection (a) of this section shall be issued by:

23 (1) an insurer authorized to do business in the State; or

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) solely with respect to insurance maintained by a transportation  
2 network company, an eligible surplus lines insurer:

3 (i) in accordance with the requirements of Title 3, Subtitle 3 of the  
4 Insurance Article; and

5 (ii) having an A.M. Best financial strength rating of A– or better.

### 6 Article – Transportation

7 17–103.

8 (a) (1) Except as provided in paragraph (2) **OR (3)** of this subsection, the form  
9 of security required under this subtitle is a vehicle liability insurance policy written by an  
10 insurer authorized to write these policies in this State.

11 (2) The Administration may accept another form of security in place of a  
12 vehicle liability insurance policy if it finds that the other form of security adequately  
13 provides the benefits required by subsection (b) of this section.

14 **(3) (I) 1. IN THIS PARAGRAPH THE FOLLOWING WORDS HAVE**  
15 **THE MEANINGS INDICATED.**

16 **2. “AFFILIATE” MEANS ANY COMPANY THAT CONTROLS,**  
17 **IS CONTROLLED BY, OR IS UNDER COMMON CONTROL WITH ANOTHER COMPANY.**

18 **3. “PROVIDE TAXICAB SERVICES”, “TRANSPORTATION**  
19 **NETWORK COMPANY”, AND “TRANSPORTATION NETWORK OPERATOR” HAVE THE**  
20 **MEANINGS STATED IN § 10–101 OF THE PUBLIC UTILITIES ARTICLE.**

21 **(II) THE ADMINISTRATION MAY ACCEPT ANOTHER FORM OF**  
22 **SECURITY FROM A TRANSPORTATION NETWORK COMPANY IN PLACE OF AN**  
23 **INSURANCE POLICY REQUIRED BY § 10–405 OF THE PUBLIC UTILITIES ARTICLE IF:**

24 **1. THE OTHER FORM OF SECURITY ADEQUATELY**  
25 **PROVIDES THE BENEFITS REQUIRED BY § 10–405 OF THE PUBLIC UTILITIES**  
26 **ARTICLE; AND**

27 **2. THE TRANSPORTATION NETWORK COMPANY IS AN**  
28 **AFFILIATE OF A COMPANY THAT PROVIDES TAXICAB SERVICES AND HAS NO FEWER**  
29 **THAN 26 NOR MORE THAN 300 TRANSPORTATION NETWORK OPERATORS.**

30 **[(3)](4)** The Administration shall, by regulation, assess each self–insurer  
31 an annual sum which may not exceed \$750, and which shall be used for actuarial studies

1 and audits to determine financial solvency.

2 (b) The security required under this subtitle shall provide for at least:

3 (1) The payment of claims for bodily injury or death arising from an  
4 accident of up to \$30,000 for any one person and up to \$60,000 for any two or more persons,  
5 in addition to interest and costs;

6 (2) The payment of claims for property of others damaged or destroyed in  
7 an accident of up to \$15,000, in addition to interest and costs;

8 (3) Unless waived under § 19–506 of the Insurance Article or rejected  
9 under § 19–506.1 of the Insurance Article, the benefits described under § 19–505 of the  
10 Insurance Article as to basic required primary coverage;

11 (4) The benefits required under § 19–509 or § 19–509.1 of the Insurance  
12 Article as to required additional coverage; and

13 (5) For vehicles subject to the provisions of § 25–111.1 of this article, the  
14 security requirements adopted under 49 C.F.R., Part 387.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
16 October 1, 2019.