

4280

2015-2016 Regular Sessions

I N S E N A T E

March 11, 2015

Introduced by Sen. SEWARD -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law, the vehicle and traffic law, the general municipal law and the transportation law, in relation to transportation network companies

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

1 Section 1. Section 5106 of the insurance law is amended by adding a
2 new subsection (e) to read as follows:
3 (E) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (D) OF THIS SECTION,
4 IF (I) MORE THAN ONE INSURER HAS ISSUED AN OWNER'S POLICY OF LIABILITY
5 INSURANCE ON THE SAME MOTOR VEHICLE, (II) ONE SUCH POLICY WAS ISSUED IN
6 SATISFACTION OF THE REQUIREMENTS OF ARTICLE SIX OF THE VEHICLE AND TRAF-
7 FIC LAW, AND (III) ONE SUCH POLICY WAS ISSUED IN SATISFACTION OF THE
8 REQUIREMENTS OF SUBDIVISION TWO OF SECTION TWO THOUSAND TWO HUNDRED
9 THREE OF THE VEHICLE AND TRAFFIC LAW, THEN THE INSURER ISSUING THE POLI-
10 CY IN SATISFACTION OF THE REQUIREMENTS OF SUBDIVISION TWO OF SECTION TWO
11 THOUSAND TWO HUNDRED THREE OF THE VEHICLE AND TRAFFIC LAW SHALL BE
12 RESPONSIBLE FOR PAYMENT OF FIRST PARTY BENEFITS WHEN A DISPUTE EXISTS AS
13 TO WHICH SUCH POLICY IS APPLICABLE. WHEN THERE IS SUCH A DISPUTE, THE
14 INSURER ISSUING THE POLICY IN SATISFACTION OF THE REQUIREMENTS OF SUBDI-
15 VISION TWO OF SECTION TWO THOUSAND TWO HUNDRED THREE OF THE VEHICLE AND
16 TRAFFIC LAW SHALL HAVE THE RIGHT TO RECOVER THE AMOUNT PAID FROM THE
17 OTHER INSURER TO THE EXTENT THAT THE LOSS AROSE FROM THE USE AND OPERA-
18 TION OF THE INSURED MOTOR VEHICLE OTHER THAN AS A TRANSPORTATION NETWORK
19 VEHICLE. ANY SUCH DISPUTE SHALL BE RESOLVED IN ACCORDANCE WITH THE ARBI-
20 TRATION PROCEDURES ESTABLISHED PURSUANT TO SECTION FIVE THOUSAND ONE
21 HUNDRED FIVE OF THIS ARTICLE AND REGULATIONS AS PROMULGATED BY THE
22 SUPERINTENDENT.
23 S 2. The insurance law is amended by adding a new section 3455 to read
24 as follows:

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [] is old law to be omitted.

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1 S 3455. TRANSPORTATION NETWORK COMPANY GROUP INSURANCE POLICIES. (A)
2 FOR PURPOSES OF THIS SECTION, THE FOLLOWING DEFINITIONS SHALL APPLY:

3 (1) "TRANSPORTATION NETWORK COMPANY" SHALL HAVE THE MEANING SET FORTH
4 IN SUBDIVISION FOUR OF SECTION TWO THOUSAND TWO HUNDRED ONE OF THE VEHI-
5 CLE AND TRAFFIC LAW.

6 (2) "CERTIFICATE" OR "CERTIFICATE OF INSURANCE" MEANS ANY POLICY,
7 CONTRACT OR OTHER EVIDENCE OF INSURANCE, OR RIDER OR ENDORSEMENT THERE-
8 TO, ISSUED TO A GROUP MEMBER UNDER A TRANSPORTATION NETWORK COMPANY
9 GROUP POLICY.

10 (3) "TRANSPORTATION NETWORK COMPANY GROUP POLICY" MEANS GROUP POLICY,
11 INCLUDING CERTIFICATE ISSUED TO THE GROUP MEMBERS, WHERE THE GROUP POLI-
12 CYHOLDER IS A TRANSPORTATION NETWORK COMPANY AND THE POLICY PROVIDES
13 INSURANCE TO THE TRANSPORTATION NETWORK COMPANY AND TO GROUP MEMBERS OF
14 THE TYPE DESCRIBED IN PARAGRAPHS THIRTEEN, FOURTEEN AND/OR NINETEEN OF
15 SUBSECTION (A) OF SECTION ONE THOUSAND ONE HUNDRED THIRTEEN OF THIS
16 CHAPTER, SUPPLEMENTARY UNINSURED/UNDERINSURED MOTORISTS INSURANCE FOR
17 BODILY INJURY PURSUANT TO PARAGRAPH TWO OF SUBSECTION (F) OF SECTION
18 THREE THOUSAND FOUR HUNDRED TWENTY OF THIS ARTICLE AND OTHER COVERAGES
19 AS PERMITTED BY THIS SECTION.

20 (4) "GROUP MEMBER" MEANS A "TRANSPORTATION NETWORK DRIVER" AS SUCH
21 TERM IS DEFINED IN SUBDIVISION FIVE OF SECTION TWO THOUSAND TWO HUNDRED
22 ONE OF THE VEHICLE AND TRAFFIC LAW AND WHO IS INSURED UNDER THE TRANS-
23 PORTATION NETWORK COMPANY GROUP POLICY.

24 (B) A TRANSPORTATION NETWORK COMPANY GROUP POLICY OR CERTIFICATE MAY
25 BE ISSUED OR ISSUED FOR DELIVERY IN THIS STATE ONLY IN COMPLIANCE WITH
26 THE PROVISIONS OF THIS SECTION.

27 (C) COVERAGE UNDER A TRANSPORTATION NETWORK COMPANY GROUP POLICY SHALL
28 EXTEND TO GROUP MEMBERS AND THE TRANSPORTATION NETWORK COMPANY.

29 (D) A TRANSPORTATION NETWORK COMPANY GROUP POLICY MAY PROVIDE ONLY THE
30 INSURANCE COVERAGES DESCRIBED IN PARAGRAPHS THIRTEEN, FOURTEEN AND/OR
31 NINETEEN OF SUBSECTION (A) OF SECTION ONE THOUSAND ONE HUNDRED THIRTEEN
32 OF THIS CHAPTER AND SUPPLEMENTARY UNINSURED/UNDERINSURED MOTORISTS
33 INSURANCE FOR BODILY INJURY PURSUANT TO PARAGRAPH TWO IF SUBSECTION (F)
34 OF SECTION THREE THOUSAND FOUR HUNDRED TWENTY OF THIS ARTICLE. IF
35 OBTAINED TO SATISFY THE FINANCIAL RESPONSIBILITY REQUIREMENTS OF
36 SUBSECTION TWO OF SECTION TWO THOUSAND TWO HUNDRED THREE OF THE VEHICLE
37 AND TRAFFIC LAW, A TRANSPORTATION NETWORK COMPANY GROUP POLICY SHALL
38 PROVIDE FOR THE PAYMENT OF FIRST PARTY BENEFITS PURSUANT TO ARTICLE
39 FIFTY-ONE OF THIS CHAPTER AND BENEFITS IN ACCORDANCE WITH SECTION THREE
40 THOUSAND FOUR HUNDRED TWENTY OF THIS ARTICLE.

41 (E) THE PREMIUM FOR THE TRANSPORTATION NETWORK COMPANY GROUP POLICY,
42 INCLUDING CERTIFICATES MAY BE PAID BY THE GROUP POLICYHOLDER FROM THE
43 FUNDS CONTRIBUTED:

44 (1) WHOLLY BY THE GROUP POLICYHOLDER;

45 (2) WHOLLY BY THE GROUP MEMBERS; OR

46 (3) JOINTLY BY THE GROUP POLICYHOLDER AND THE GROUP MEMBERS.

47 (F) (1) ANY POLICY DIVIDEND, RETROSPECTIVE PREMIUM CREDIT, OR RETRO-
48 SPECTIVE PREMIUM REFUND IN RESPECT OF PREMIUMS PAID BY THE GROUP POLICY-
49 HOLDER MAY:

50 (A) BE APPLIED TO REDUCE THE PREMIUM CONTRIBUTION OF THE GROUP POLICY-
51 HOLDER, BUT NOT IN EXCESS OF THE PROPORTION TO ITS CONTRIBUTION; OR

52 (B) BE RETAINED BY THE GROUP POLICYHOLDER.

53 (2) ANY POLICY DIVIDEND, RETROSPECTIVE PREMIUM CREDIT, OR RETROSPEC-
54 TIVE PREMIUM REFUND NOT DISTRIBUTED UNDER PARAGRAPH ONE OF THIS
55 SUBSECTION SHALL BE:

1 (A) APPLIED TO REDUCE FUTURE PREMIUMS AND, ACCORDINGLY, FUTURE
2 CONTRIBUTIONS, OF EXISTING OR FUTURE GROUP MEMBERS, OR BOTH; OR

3 (B) PAID OR REFUNDED TO THOSE GROUP MEMBERS INSURED ON THE DATE THE
4 PAYMENT OR REFUND IS MADE TO THE GROUP POLICYHOLDER, IF DISTRIBUTED BY
5 THE GROUP POLICYHOLDER, OR ON THE DATE OF MAILING, IF DISTRIBUTED
6 DIRECTLY BY THE INSURER, SUBJECT TO THE FOLLOWING REQUIREMENTS:

7 (I) THE INSURER SHALL BE RESPONSIBLE FOR DETERMINING THE ALLOCATION OF
8 THE PAYMENT OF REFUND TO THE GROUP MEMBERS;

9 (II) IF THE GROUP POLICYHOLDER DISTRIBUTES THE PAYMENT OR REFUND, THE
10 INSURER SHALL BE RESPONSIBLE FOR AUDIT TO ASCERTAIN THAT THE PAYMENT OR
11 REFUND IS ACTUALLY MADE IN ACCORDANCE WITH THE ALLOCATION PROCEDURE; AND

12 (III) IF THE GROUP POLICYHOLDER FAILS TO MAKE THE PAYMENT OR REFUND,
13 THE INSURER SHALL MAKE THE PAYMENT OR REFUND DIRECTLY OR USE THE METHOD
14 PROVIDED IN SUBPARAGRAPH (A) OF THIS PARAGRAPH.

15 (3) NOTWITHSTANDING PARAGRAPHS ONE AND TWO OF THIS SUBSECTION, IF A
16 DIVIDEND ACCRUES UPON TERMINATION OF COVERAGE UNDER A TRANSPORTATION
17 NETWORK COMPANY GROUP POLICY, THE PREMIUM FOR WHICH WAS PAID OUT OF
18 FUNDS CONTRIBUTED BY GROUP MEMBERS SPECIFICALLY FOR THE COVERAGE, THE
19 DIVIDEND SHALL BE PAID OR REFUNDED BY THE GROUP POLICYHOLDER TO THE
20 GROUP MEMBERS INSURED ON THE DATE THE PAYMENT OR REFUND IS MADE TO THE
21 GROUP POLICYHOLDER, NET OF REASONABLE EXPENSES INCURRED BY THE GROUP
22 POLICYHOLDER IN PAYING OR REFUNDING THE DIVIDEND TO SUCH GROUP MEMBERS.

23 (4) FOR THE PURPOSES OF THIS SUBSECTION, "DIVIDEND" MEANS A RETURN BY
24 THE INSURER OF A TRANSPORTATION NETWORK COMPANY GROUP POLICY OF EXCESS
25 PREMIUMS TO THE GROUP POLICYHOLDER IN LIGHT OF FAVORABLE LOSS EXPERI-
26 ENCE, INCLUDING RETROSPECTIVE PREMIUM CREDITS OR RETROSPECTIVE PREMIUM
27 REFUNDS. THE TERM "DIVIDEND" DOES NOT INCLUDE REIMBURSEMENTS OR FEES
28 RECEIVED BY A GROUP POLICYHOLDER IN CONNECTION WITH THE OPERATION OR
29 ADMINISTRATION OF A TRANSPORTATION NETWORK COMPANY GROUP POLICY, INCLUD-
30 ING ADMINISTRATIVE REIMBURSEMENTS, FEES FOR SERVICES PROVIDED BY THE
31 GROUP POLICYHOLDER, OR TRANSACTIONAL SERVICE FEES.

32 (G) THE INSURER MUST TREAT IN LIKE MANNER ALL ELIGIBLE GROUP MEMBERS
33 OF THE SAME CLASS.

34 (H) A TRANSPORTATION NETWORK COMPANY GROUP POLICY OR CERTIFICATE SHALL
35 NOT BE ELIGIBLE FOR PLACEMENT BY AN EXCESS LINE BROKER LICENSED PURSUANT
36 TO ARTICLE TWENTY-ONE OF THIS CHAPTER.

37 (I) EACH POLICY WRITTEN PURSUANT TO THIS SECTION SHALL PROVIDE PER
38 OCCURRENCE LIMITS OF COVERAGE FOR EACH GROUP MEMBER IN AN AMOUNT NOT
39 LESS THAN THAT REQUIRED BY OF SUBDIVISION TWO OF SECTION TWO THOUSAND
40 TWO HUNDRED THREE OF THE VEHICLE AND TRAFFIC LAW, AND MAY PROVIDE COVER-
41 AGE FOR LIMITS HIGHER THAN THE MINIMUM LIMITS REQUIRED UNDER THE LAW.

42 (J) (1) THE INSURER OR THE GROUP POLICYHOLDER SHALL BE RESPONSIBLE FOR
43 MAILING OR DELIVERY OF A CERTIFICATE OF INSURANCE TO EACH GROUP MEMBER
44 INSURED UNDER THE TRANSPORTATION NETWORK COMPANY GROUP POLICY. THE
45 INSURER OR THE GROUP POLICYHOLDER SHALL ALSO BE RESPONSIBLE FOR THE
46 MAILING OR DELIVERY TO EACH GROUP MEMBER OF AN AMENDED CERTIFICATE OF
47 INSURANCE OR ENDORSEMENT TO THE CERTIFICATE, WHENEVER THERE IS A CHANGE
48 IN LIMITS; CHANGE IN TYPE OF COVERAGE; ADDITION, REDUCTION, OR ELIMI-
49 NATION OF COVERAGE; OR ADDITION OF EXCLUSION, UNDER THE TRANSPORTATION
50 NETWORK COMPANY GROUP POLICY OR CERTIFICATE.

51 (2) THE CERTIFICATE SHALL CONTAIN IN SUBSTANCE ALL MATERIAL TERMS AND
52 CONDITIONS OF COVERAGE AFFORDED TO GROUP MEMBERS, UNLESS THE TRANSPORTA-
53 TION NETWORK COMPANY GROUP POLICY IS INCORPORATED BY REFERENCE AND A
54 COPY OF THE GROUP POLICY ACCOMPANIES THE CERTIFICATE.

55 (3) IF ANY COVERAGE AFFORDED TO THE GROUP MEMBER IS EXCESS OF APPLICA-
56 BLE INSURANCE COVERAGE, THE CERTIFICATE SHALL CONTAIN A NOTICE ADVISING

1 THE GROUP MEMBERS THAT, IS THE MEMBER HAS OTHER INSURANCE COVERAGE,
2 SPECIFIED COVERAGES UNDER THE TRANSPORTATION NETWORK COMPANY GROUP POLI-
3 CY WILL BE EXCESS OVER THE OTHER INSURANCE.

4 (K) A GROUP POLICYHOLDER SHALL COMPLY WITH THE PROVISIONS OF SECTION
5 TWO THOUSAND ONE HUNDRED TWENTY-TWO OF THIS CHAPTER, IN THE SAME MANNER
6 AS AN AGENT OR BROKER, IN ANY ADVERTISEMENT, SIGN, PAMPHLET, CIRCULAR,
7 CARD, OR OTHER PUBLIC ANNOUNCEMENT REFERRING TO COVERAGE UNDER A TRANS-
8 PORTATION NETWORK COMPANY GROUP POLICY OR CERTIFICATE.

9 (L) A TRANSPORTATION NETWORK COMPANY GROUP POLICY SHALL NOT BE SUBJECT
10 TO SECTION THREE THOUSAND FOUR HUNDRED TWENTY-FIVE OR SECTION THREE
11 THOUSAND FOUR HUNDRED TWENTY-SIX OF THIS CHAPTER; PROVIDED THAT THE
12 FOLLOWING REQUIREMENTS SHALL APPLY WITH REGARD TO TERMINATION OF COVER-
13 AGE:

14 (1)(A) AN INSURER MAY TERMINATE A GROUP POLICY OR CERTIFICATE ONLY IF
15 CANCELLATION IS BASED ON ONE OR MORE OF THE REASONS SET FORTH IN SUBPAR-
16 AGRAPH (A) THROUGH (D) OR (F) THROUGH (H) OF PARAGRAPH ONE OF SUBSECTION
17 (C) OF SECTION THREE THOUSAND FOUR HUNDRED TWENTY-SIX OF THIS ARTICLE;
18 PROVIDED, HOWEVER, THAT AN ACT OR OMISSION BY A GROUP MEMBER THAT WOULD
19 CONSTITUTE THE BASIS FOR CANCELLATION OF AN INDIVIDUAL CERTIFICATE SHALL
20 NOT CONSTITUTE THE BASIS FOR CANCELLATION OF THE GROUP POLICY.

21 (B) WHERE THE PREMIUM IS DERIVED WHOLLY FROM FUNDS CONTRIBUTED BY THE
22 GROUP POLICYHOLDER, AN INSURER MAY CANCEL AN INDIVIDUAL CERTIFICATE ONLY
23 IF CANCELLATION IS BASED ON ONE OR MORE OF THE REASONS SET FORTH IN
24 SUBPARAGRAPH (B), (C) OR (H) OF PARAGRAPH ONE OF SUBSECTION (C) OF
25 SECTION THREE THOUSAND FOUR HUNDRED TWENTY-SIX OF THIS ARTICLE.

26 (2) (A) AN INSURER'S CANCELLATION OF A GROUP POLICY, INCLUDING ALL
27 CERTIFICATES, SHALL NOT BECOME EFFECTIVE UNTIL THIRTY DAYS AFTER THE
28 INSURER MAILS OR DELIVERS WRITTEN NOTICE OF CANCELLATION TO THE GROUP
29 POLICYHOLDER AT THE MAILING ADDRESS SHOWN IN THE POLICY.

30 (I) WHERE ALL OR PART OF THE PREMIUM IS DERIVED FROM FUNDS CONTRIBUTED
31 BY THE GROUP MEMBER SPECIFICALLY FOR THE COVERAGE, THE INSURER SHALL
32 ALSO MAIL OR DELIVER WRITTEN NOTICE OF CANCELLATION OF THE GROUP POLICY
33 TO THE GROUP MEMBER AT THE GROUP MEMBER'S MAILING ADDRESS.

34 (II) WHERE NONE OF THE PREMIUM IS DERIVED FROM FUNDS CONTRIBUTED BY A
35 GROUP MEMBER SPECIFICALLY FOR THE COVERAGE, THE GROUP POLICY HOLDER
36 SHALL MAIL OR DELIVER WRITTEN NOTICE TO THE GROUP MEMBER ADVISING THE
37 GROUP MEMBER OF THE CANCELLATION OF THE GROUP POLICY AND THE EFFECTIVE
38 DATE OF CANCELLATION. THE GROUP POLICY HOLDER SHALL MAIL OR DELIVER THE
39 WRITTEN NOTICE WITHIN NINETY DAYS AFTER RECEIVING NOTICE OF CANCELLATION
40 FROM THE INSURER.

41 (B) AN INSURER'S CANCELLATION OF AN INDIVIDUAL CERTIFICATE SHALL NOT
42 BECOME EFFECTIVE UNTIL THIRTY DAYS AFTER THE INSURER MAILS OR DELIVERS
43 WRITTEN NOTICE OF CANCELLATION TO THE GROUP MEMBER AT THE GROUP MEMBER'S
44 MAILING ADDRESS AND TO THE GROUP POLICYHOLDER AT THE MAILING ADDRESS
45 SHOWN IN THE GROUP POLICY.

46 (C) (I) A GROUP POLICYHOLDER MAY CANCEL A GROUP POLICY, INCLUDING ALL
47 CERTIFICATES, OR ANY INDIVIDUAL CERTIFICATE, FOR A REASON UPON THIRTY
48 DAYS WRITTEN NOTICE TO THE INSURER AND EACH GROUP MEMBER; AND

49 (II) THE GROUP POLICYHOLDER SHALL MAIL OR DELIVER WRITTEN NOTICE TO
50 EACH AFFECTED GROUP MEMBER OF THE GROUP POLICYHOLDER'S CANCELLATION OF
51 THE GROUP POLICY OR CERTIFICATE AND THE EFFECTIVE DATE OF CANCELLATION.
52 THE GROUP POLICYHOLDER SHALL MAIL OR DELIVER THE WRITTEN NOTICE TO THE
53 GROUP MEMBER'S MAILING ADDRESS AT LEAST THIRTY DAYS PRIOR TO THE EFFEC-
54 TIVE DATE OF CANCELLATION.

1 (3) (A) UNLESS A GROUP POLICY PROVIDES FOR A LONGER POLICY PERIOD, THE
2 POLICY AND ALL CERTIFICATES SHALL BE ISSUED OR RENEWED FOR A ONE-YEAR
3 POLICY PERIOD.

4 (B) THE GROUP POLICYHOLDER SHALL BE ENTITLED TO RENEW THE GROUP POLICY
5 AND ALL CERTIFICATES UPON TIMELY PAYMENT OF THE PREMIUM BILLED TO THE
6 GROUP POLICYHOLDER FOR THE RENEWAL, UNLESS:

7 (I) THE INSURER MAILED OR DELIVERS TO THE GROUP POLICYHOLDER AND ALL
8 GROUP MEMBERS WRITTEN NOTICE OF NONRENEWAL, OR CONDITIONAL RENEWAL; AND

9 (II) THE INSURER MAILED OR DELIVERS THE WRITTEN NOTICE AT LEAST THIRTY,
10 BUT NOT MORE THAN ONE HUNDRED TWENTY DAYS PRIOR TO THE EXPIRATION DATE
11 SPECIFIED IN THE POLICY OR, IF NO DATE IS SPECIFIED, THE NEXT ANNIVER-
12 SARY DATE OF THE POLICY.

13 (4) WHERE THE GROUP POLICYHOLDER NONRENEWS THE GROUP POLICY, THE GROUP
14 POLICYHOLDER SHALL MAIL OR DELIVER WRITTEN NOTICE TO EACH GROUP MEMBER
15 ADVISING THE GROUP MEMBER OF NONRENEWAL OF THE GROUP POLICY AND THE
16 EFFECTIVE DATE OF NONRENEWAL. THE GROUP POLICYHOLDER SHALL MAIL OR
17 DELIVER WRITTEN NOTICE AT LEAST THIRTY DAYS PRIOR TO THE NONRENEWAL.

18 (5) EVERY NOTICE OF CANCELLATION, NONRENEWAL, OR CONDITIONAL RENEWAL
19 SHALL SET FORTH THE SPECIFIC REASON OR REASONS FOR CANCELLATION, NONRE-
20 NEWAL, OR CONDITIONAL RENEWAL.

21 (6) (A) AN INSURER SHALL NOT BE REQUIRED UNDER THIS SUBSECTION TO GIVE
22 NOTICE TO A GROUP MEMBER IF THE INSURER HAS BEEN ADVISED BY EITHER THE
23 GROUP POLICYHOLDER OR ANOTHER INSURER THAT SUBSTANTIALLY SIMILAR COVER-
24 AGE HAS BEEN OBTAINED FROM THE OTHER INSURER WITHOUT LAPSE OF COVERAGE.

25 (B) A GROUP POLICYHOLDER SHALL NOT BE REQUIRED UNDER THIS SUBSECTION
26 TO GIVE NOTICE TO A GROUP MEMBER IF SUBSTANTIALLY SIMILAR COVERAGE HAS
27 BEEN OBTAINED FROM ANOTHER INSURER WITHOUT LAPSE OF COVERAGE.

28 (7) (A) IF, PRIOR TO THE EFFECTIVE DATE OF CANCELLATION, NONRENEWAL,
29 OR CONDITIONAL RENEWAL OF THE GROUP POLICY, OR A CERTIFICATE, WHETHER
30 INITIATED BY THE INSURER, GROUP POLICYHOLDER OR BY THE GROUP MEMBER IN
31 REGARD TO THE GROUP MEMBER'S CERTIFICATE, COVERAGE ATTACHES PURSUANT TO
32 THE TERMS OF A GROUP POLICY, THEN THE COVERAGE SHALL BE EFFECTIVE UNTIL
33 EXPIRATION OF THE APPLICABLE PERIOD OF COVERAGE PROVIDED IN THE GROUP
34 POLICY NOTWITHSTANDING THE CANCELLATION, NONRENEWAL OR CONDITIONAL
35 NONRENEWAL OF THE GROUP POLICY.

36 (B) NOTWITHSTANDING SUBPARAGRAPH (A) OF THIS PARAGRAPH, AN INSURER MAY
37 TERMINATE COVERAGE UNDER AN INDIVIDUAL CERTIFICATE ON THE EFFECTIVE DATE
38 OF CANCELLATION, IF THE CERTIFICATE IS CANCELLED IN ACCORDANCE WITH THE
39 PROVISIONS OF SUBPARAGRAPH (B) OF PARAGRAPH ONE OF THIS SUBSECTION.

40 (M) ANY MAILING OR DELIVERY TO A GROUP MEMBER REQUIRED OR PERMITTED
41 UNDER THIS SECTION MAY BE MADE BY ELECTRONIC MAIL IF CONSENT TO SUCH
42 METHOD OF DELIVERY HAS BEEN PREVIOUSLY RECEIVED FROM SUCH GROUP MEMBER.

43 (N) FORMS AND RATES FOR ANY GROUP POLICY ISSUED OR ISSUED FOR DELIVERY
44 IN THIS STATE PURSUANT TO THIS SECTION SHALL BE FILED WITH THE SUPER-
45 INTENDENT IN ACCORDANCE WITH ARTICLE TWENTY-THREE OF THIS CHAPTER.

46 S 3. Section 121-e of the vehicle and traffic law, as added by chapter
47 15 of the laws of 1983, is amended to read as follows:

48 S 121-e. Livery. Every motor vehicle, other than a taxicab or a bus,
49 used in the business of transporting passengers for compensation. Howev-
50 er, it shall not include vehicles which are rented or leased without a
51 driver AND IT SHALL NOT INCLUDE TRANSPORTATION NETWORK VEHICLES AS
52 DEFINED IN SUBDIVISION EIGHT OF SECTION TWO THOUSAND TWO HUNDRED ONE OF
53 THIS CHAPTER.

54 S 4. Section 148-a of the vehicle and traffic law, as amended by chap-
55 ter 15 of the laws of 1983, is amended to read as follows:

1 S 148-a. Taxicab. Every motor vehicle, other than a bus, used in the
 2 business of transporting passengers for compensation, and operated in
 3 such business under a license or permit issued by a local authority.
 4 However, it shall not include vehicles which are rented or leased with-
 5 out a driver AND IT SHALL NOT INCLUDE TRANSPORTATION NETWORK VEHICLES AS
 6 DEFINED IN SUBDIVISION EIGHT OF SECTION TWO THOUSAND TWO HUNDRED ONE OF
 7 THIS CHAPTER.

8 S 5. The opening paragraph of subdivision 7 of section 401 of the
 9 vehicle and traffic law, as amended by chapter 55 of the laws of 1992,
 10 is amended to read as follows:

11 FOR PURPOSES OF THIS SUBDIVISION A MOTOR VEHICLE THAT MEETS THE DEFI-
 12 NITION OF A TRANSPORTATION NETWORK VEHICLE AS DEFINED IN SUBDIVISION
 13 EIGHT OF SECTION TWO THOUSAND TWO HUNDRED ONE OF THIS CHAPTER SHALL NOT
 14 BE REQUIRED TO OBTAIN A FOR HIRE OR COMMERCIAL VEHICLE REGISTRATION. The
 15 registration fees to be paid upon the registration or reregistration, in
 16 accordance with the provisions of this article, of buses, of motor vehi-
 17 cles constructed or specially equipped for the transportation of goods,
 18 wares and merchandise, commonly known as auto trucks or light delivery
 19 cars, of taxicabs, livery and of certain other motor vehicles specified
 20 herein are hereby established as follows:

21 S 6. Paragraph c of subdivision 1 of section 498 of the vehicle and
 22 traffic law, as added by chapter 549 of the laws of 2006, is amended to
 23 read as follows:

24 c. "Pre-arranged for-hire vehicle" shall mean a motor vehicle, other
 25 than a bus, that is used in the business of transporting passengers for
 26 compensation on a pre-arranged basis, and operated in such business
 27 under a license or permit issued by a licensing jurisdiction, EXCEPT
 28 THAT IT SHALL NOT MEAN A MOTOR VEHICLE THAT MEETS THE DEFINITION OF A
 29 TRANSPORTATION NETWORK VEHICLE AS DEFINED IN SUBDIVISION EIGHT OF
 30 SECTION TWO THOUSAND TWO HUNDRED ONE OF THIS CHAPTER. The term "pre-ar-
 31 ranged for-hire vehicle" shall apply to vehicles as defined herein
 32 regardless of any other provision of local law or rule defining or
 33 describing such vehicles by any other terms such as livery, black car,
 34 or luxury limousine.

35 S 7. Section 181 of the general municipal law is amended by adding a
 36 new closing paragraph to read as follows:

37 FOR THE PURPOSES OF THIS SECTION, THE TERMS TAXICABS, LIMOUSINES OR
 38 LIVERY VEHICLES SHALL NOT INCLUDE MOTOR VEHICLES THAT MEET THE DEFI-
 39 NITION OF A TRANSPORTATION NETWORK VEHICLE AS DEFINED IN SUBDIVISION
 40 EIGHT OF SECTION TWO THOUSAND TWO HUNDRED ONE OF THE VEHICLE AND TRAFFIC
 41 LAW.

42 S 8. Section 151 of the transportation law is amended by adding a new
 43 subdivision 13 to read as follows:

44 13. IN A VEHICLE THAT MEETS THE DEFINITION OF A TRANSPORTATION NETWORK
 45 VEHICLE AS DEFINED IN SUBDIVISION EIGHT OF SECTION TWO THOUSAND TWO
 46 HUNDRED ONE OF THE VEHICLE AND TRAFFIC LAW.

47 S 9. The vehicle and traffic law is amended by adding a new title 10-a
 48 to read as follows:

49 TITLE X-A
 50 TRANSPORTATION NETWORK COMPANIES
 51 ARTICLE 46-A. TRANSPORTATION NETWORK COMPANIES.
 52 ARTICLE 46-A
 53 TRANSPORTATION NETWORK COMPANIES
 54 SECTION 2200. SHORT TITLE.
 55 2201. DEFINITIONS.
 56 2202. REGULATION OF TRANSPORTATION NETWORK COMPANIES.

1 2203. REGISTRATION, FINANCIAL RESPONSIBILITY OF TRANSPORTATION
2 NETWORK COMPANIES, AND INSURANCE.

3 2204. OPERATIONAL REQUIREMENTS OF TRANSPORTATION NETWORK COMPA-
4 NIES.

5 2205. TRANSPORTATION NETWORK SERVICE LIMITATIONS.

6 2206. VEHICLE REQUIREMENTS FOR TRANSPORTATION NETWORK VEHICLES.

7 2207. PERMIT REQUIRED FOR TRANSPORTATION NETWORK COMPANIES,
8 PENALTY FOR VIOLATION, AND RULES.

9 2208. DRIVER LICENSING REQUIREMENT.

10 2209. DISTRIBUTION OF FEES AND PENALTIES.

11 2210. RULES AND INSPECTIONS.

12 S 2200. SHORT TITLE. THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS
13 THE "TRANSPORTATION NETWORK COMPANY ACT".

14 S 2201. DEFINITIONS. WHEN USED IN THIS ARTICLE, THE FOLLOWING TERMS
15 SHALL HAVE THE FOLLOWING MEANINGS:

16 1. "PERSONAL VEHICLE" MEANS A MOTOR VEHICLE THAT IS USED BY A TRANS-
17 PORTATION NETWORK DRIVER IN CONNECTION WITH PROVIDING SERVICES FOR A
18 TRANSPORTATION NETWORK COMPANY THAT MEETS THE MOTOR VEHICLE CRITERIA SET
19 FORTH IN THIS ARTICLE AND IS REGISTERED TO THE TRANSPORTATION NETWORK
20 DRIVER.

21 2. "PREARRANGED RIDE" MEANS A PERIOD OF TIME THAT BEGINS WHEN A TRANS-
22 PORTATION NETWORK DRIVER ACCEPTS A REQUESTED RIDE THROUGH A DIGITAL
23 NETWORK, CONTINUES WHILE THE TRANSPORTATION NETWORK DRIVER TRANSPORTS
24 THE TRANSPORTATION NETWORK RIDER, AND ENDS WHEN THE TRANSPORTATION
25 NETWORK RIDER DEPARTS FROM THE TRANSPORTATION NETWORK VEHICLE.

26 3. "SERIOUS CRIMINAL OFFENSE" SHALL MEAN A CONVICTION OF (I) A FELONY
27 INVOLVING THE USE OF A MOTOR VEHICLE; (II) A FELONY INVOLVING MANUFAC-
28 TURING, DISTRIBUTING OR DISPENSING A DRUG AS DEFINED IN SECTION ONE
29 HUNDRED FOURTEEN-A OF THIS CHAPTER OR POSSESSION OF ANY SUCH DRUG WITH
30 INTENT TO MANUFACTURE, DISTRIBUTE OR DISPENSE SUCH DRUG IN WHICH A MOTOR
31 VEHICLE WAS USED; (III) A VIOLATION OF SUBDIVISION ONE OR TWO OF SECTION
32 SIX HUNDRED OF THIS CHAPTER; (IV) OPERATING A MOTOR VEHICLE WHEN, AS A
33 RESULT OF PRIOR VIOLATIONS COMMITTED WHILE OPERATING A MOTOR VEHICLE,
34 THE INDIVIDUAL'S DRIVER'S LICENSE IS REVOKED, SUSPENDED, OR CANCELED;
35 (V) CAUSING A FATALITY THROUGH THE NEGLIGENT OPERATION OF A MOTOR VEHI-
36 CLE, INCLUDING BUT NOT LIMITED TO THE CRIMES OF VEHICULAR MANSLAUGHTER
37 OR CRIMINALLY NEGLIGENT HOMICIDE; (VI) HOMICIDE; AND (VII) A FELONY OR
38 ASSAULT, SEXUAL OFFENSES, KIDNAPPING, OR BURGLARY.

39 4. "TRANSPORTATION NETWORK COMPANY" MEANS A CORPORATION, PARTNERSHIP,
40 SOLE PROPRIETORSHIP, OR OTHER ENTITY, OPERATING IN NEW YORK, THAT USES A
41 DIGITAL NETWORK TO CONNECT TRANSPORTATION NETWORK DRIVERS TO TRANSPORTA-
42 TION NETWORK RIDERS FOR THE PURPOSE OF PROVIDING TRANSPORTATION. A
43 TRANSPORTATION NETWORK COMPANY IS NOT DEEMED TO OWN, CONTROL, OPERATE,
44 OR MANAGE THE PERSONAL VEHICLES USED BY TRANSPORTATION NETWORK DRIVERS.

45 5. "TRANSPORTATION NETWORK DRIVER" MEANS AN INDIVIDUAL WHO USES HIS OR
46 HER PERSONAL VEHICLE TO PROVIDE TRANSPORTATION NETWORK SERVICES FOR
47 RIDERS MATCHED THROUGH A TRANSPORTATION NETWORK COMPANY'S DIGITAL
48 NETWORK.

49 6. "TRANSPORTATION NETWORK RIDER" MEANS A PASSENGER IN A NETWORK
50 TRANSPORTATION VEHICLE FOR WHOM TRANSPORT IS PROVIDED, INCLUDING:

51 (A) AN INDIVIDUAL WHO USES A TRANSPORTATION NETWORK COMPANY'S ONLINE
52 APPLICATION OR DIGITAL NETWORK TO CONNECT WITH A TRANSPORTATION NETWORK
53 DRIVER TO OBTAIN TRANSPORTATION NETWORK SERVICES IN A TRANSPORTATION
54 NETWORK VEHICLE FOR THE INDIVIDUAL AND ANYONE IN THE INDIVIDUAL'S PARTY;
55 OR

1 (B) ANYONE FOR WHOM ANOTHER INDIVIDUAL USES A TRANSPORTATION NETWORK
2 COMPANY'S ONLINE APPLICATION OR DIGITAL NETWORK TO OBTAIN TRANSPORTATION
3 NETWORK SERVICES IN A TRANSPORTATION NETWORK VEHICLE.

4 7. "TRANSPORTATION NETWORK SERVICES" MEANS THE PROVISION OF TRANSPOR-
5 TATION BY A TRANSPORTATION NETWORK DRIVER TO A TRANSPORTATION NETWORK
6 RIDER WITH WHOM THE TRANSPORTATION NETWORK DRIVER IS MATCHED THROUGH A
7 TRANSPORTATION NETWORK COMPANY. THE TERM DOES NOT INCLUDE SERVICES
8 PROVIDED EITHER DIRECTLY BY OR UNDER CONTRACT WITH A POLITICAL SUBDIVI-
9 SION OR OTHER ENTITY EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 115 OF
10 THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED.

11 8. "TRANSPORTATION NETWORK VEHICLE" MEANS A MOTOR VEHICLE USED BY A
12 TRANSPORTATION NETWORK DRIVER THAT IS HIS OR HER OWN PERSONAL MOTOR
13 VEHICLE AND ALSO USED TO PROVIDE A PREARRANGED RIDE FOR TRANSPORTATION
14 NETWORK RIDERS MATCHED THROUGH A TRANSPORTATION NETWORK COMPANY'S
15 DIGITAL NETWORK. A TRANSPORTATION NETWORK VEHICLE IS NOT A TAXICAB, AS
16 DEFINED IN SECTION ONE HUNDRED FORTY-EIGHT-A OF THIS CHAPTER, OR A
17 LIVERY AS DEFINED IN SECTION ONE HUNDRED TWENTY-ONE-E OF THIS CHAPTER.

18 S 2202. REGULATION OF TRANSPORTATION NETWORK COMPANIES.

19 1. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, TRANSPORTATION NETWORK
20 COMPANIES ARE GOVERNED EXCLUSIVELY BY THIS ARTICLE.

21 2. THE PROVISIONS OF SECTIONS NINETY-SIX, NINETY-EIGHT, NINETY-NINE,
22 ONE HUNDRED THREE, ONE HUNDRED SIXTEEN, ONE HUNDRED FORTY, ONE HUNDRED
23 FORTY-TWO, ONE HUNDRED FORTY-THREE, ONE HUNDRED FIFTY-TWO, ONE HUNDRED
24 FIFTY-SIX, ONE HUNDRED FIFTY-SEVEN, AND ONE HUNDRED FIFTY-EIGHT OF THE
25 TRANSPORTATION LAW, AND 17 NYCRR PT. 720, 17 NYCRR PT. 721, 17 NYCRR PT.
26 730, AND 17 NYCRR PT. 741, SHALL NOT APPLY TO TRANSPORTATION NETWORK
27 VEHICLES.

28 3. THE PROVISIONS OF SUBPARAGRAPH (V) OF PARAGRAPH (A) OF SUBDIVISION
29 TWO OF SECTION FIVE HUNDRED ONE OF THIS CHAPTER SHALL NOT APPLY TO
30 TRANSPORTATION NETWORK COMPANIES OR TRANSPORTATION NETWORK DRIVERS.

31 S 2203. REGISTRATION, FINANCIAL RESPONSIBILITY OF TRANSPORTATION
32 NETWORK COMPANIES, AND INSURANCE.

33 1. A TRANSPORTATION NETWORK COMPANY SHALL OBTAIN AUTHORIZATION TO DO
34 BUSINESS IN NEW YORK AS REQUIRED BY SECTION ONE THOUSAND THREE HUNDRED
35 ONE OF THE BUSINESS CORPORATION LAW.

36 2. A TRANSPORTATION NETWORK COMPANY SHALL FILE WITH THE COMMISSIONER
37 OF MOTOR VEHICLES DOCUMENTATION EVIDENCING THAT THE TRANSPORTATION
38 NETWORK COMPANY OR THE TRANSPORTATION NETWORK DRIVER HAS SECURED PRIMARY
39 LIABILITY INSURANCE COVERAGE FOR THE DRIVER FOR INCIDENTS INVOLVING THE
40 DRIVER DURING A PREARRANGED RIDE INCLUDING, BUT NOT LIMITED TO, A GROUP
41 TRANSPORTATION NETWORK COMPANY POLICY AUTHORIZED PURSUANT TO SECTION
42 THREE THOUSAND FOUR HUNDRED FIFTY-FIVE OF THE INSURANCE LAW. COVERAGE
43 FOR INCIDENTS INVOLVING A DRIVER DURING A PREARRANGED RIDE MUST BE IN
44 THE AMOUNT OF AT LEAST ONE MILLION DOLLARS PER OCCURRENCE. THE INSURANCE
45 POLICY MUST PROVIDE COVERAGE AT ALL TIMES THE DRIVER IS ENGAGED IN A
46 PREARRANGED RIDE. THE INSURANCE POLICY MUST ALSO PROVIDE FOR THE PAYMENT
47 OF FIRST PARTY BENEFITS PURSUANT TO ARTICLE FIFTY-ONE OF THE INSURANCE
48 LAW AND BENEFITS IN ACCORDANCE WITH SECTION THREE THOUSAND FOUR HUNDRED
49 TWENTY OF THE INSURANCE LAW. SUCH COVERAGE MAY BE PROVIDED IN ONE GROUP
50 POLICY OR SEPARATE GROUP POLICIES.

51 S 2204. OPERATIONAL REQUIREMENTS OF TRANSPORTATION NETWORK COMPANIES.

52 1. THE FOLLOWING REQUIREMENTS APPLY TO THE PROVISION OF TRANSPORTATION
53 NETWORK SERVICES:

54 (A) A TRANSPORTATION NETWORK COMPANY SHALL PROVIDE TRANSPORTATION
55 NETWORK SERVICES TO THE PUBLIC IN A NONDISCRIMINATORY MANNER, REGARDLESS
56 OF GEOGRAPHIC LOCATION OF THE DEPARTURE POINT OR DESTINATION, ONCE THE

1 DRIVER AND RIDER HAVE BEEN MATCHED THROUGH THE DIGITAL NETWORK, AS
2 REQUIRED BY SECTION ONE HUNDRED SIX OF THE TRANSPORTATION LAW.

3 (B) A TRANSPORTATION NETWORK COMPANY SHALL NOT IMPOSE ADDITIONAL
4 CHARGES FOR PROVIDING TRANSPORTATION NETWORK SERVICES TO PERSONS WITH
5 PHYSICAL OR MENTAL DISABILITIES BECAUSE OF THOSE DISABILITIES AND SHALL
6 REQUIRE TRANSPORTATION NETWORK DRIVERS TO PERMIT A SERVICE ANIMAL TO
7 ACCOMPANY A TRANSPORTATION NETWORK RIDER ON A PREARRANGED RIDE UNLESS
8 THE PRESENCE OF A SERVICE ANIMAL WOULD SIGNIFICANTLY COMPROMISE THE
9 HEALTH OF THE TRANSPORTATION NETWORK DRIVER DUE TO A MEDICALLY DIAGNOSED
10 ALLERGY. IF A TRANSPORTATION NETWORK RIDER WITH PHYSICAL OR MENTAL DISA-
11 BILITIES REQUIRES THE USE OF THE TRANSPORTATION NETWORK RIDER'S MOBILITY
12 EQUIPMENT, A TRANSPORTATION NETWORK COMPANY SHALL REQUIRE TRANSPORTATION
13 NETWORK DRIVERS TO STORE THE MOBILITY EQUIPMENT IN THE TRANSPORTATION
14 NETWORK VEHICLE DURING A PREARRANGED RIDE IF THE TRANSPORTATION NETWORK
15 VEHICLE IS REASONABLY CAPABLE OF STORING THE MOBILITY EQUIPMENT. IF THE
16 TRANSPORTATION NETWORK DRIVER IS UNABLE TO STORE A TRANSPORTATION
17 NETWORK RIDER'S MOBILITY EQUIPMENT IN THE TRANSPORTATION NETWORK VEHI-
18 CLE, THE TRANSPORTATION NETWORK DRIVER SHALL REFER THE TRANSPORTATION
19 NETWORK RIDER TO ANOTHER TRANSPORTATION NETWORK DRIVER OR TRANSPORTATION
20 SERVICE PROVIDER WITH A VEHICLE THAT IS EQUIPPED TO ACCOMMODATE THE
21 RIDER'S MOBILITY EQUIPMENT.

22 (C) A TRANSPORTATION NETWORK COMPANY IS NOT LIABLE FOR A TRANSPORTA-
23 TION NETWORK DRIVER'S VIOLATION OF PARAGRAPH (B) OF THIS SUBDIVISION
24 UNLESS THE TRANSPORTATION NETWORK DRIVER'S VIOLATION HAS BEEN PREVIOUSLY
25 REPORTED TO THE TRANSPORTATION NETWORK COMPANY IN WRITING, AND THE
26 TRANSPORTATION NETWORK COMPANY HAS FAILED TO REASONABLY ADDRESS THE
27 ALLEGED VIOLATION. THE COMMISSIONER SHALL AFFORD A TRANSPORTATION
28 NETWORK COMPANY THE SAME DUE PROCESS RIGHTS AFFORDED TRANSPORTATION
29 PROVIDERS IN DEFENDING AGAINST CIVIL PENALTIES ASSESSED BY THE COMMIS-
30 SIONER OF MOTOR VEHICLES.

31 (D) ALTHOUGH TRANSPORTATION NETWORK COMPANIES MAY PROVIDE PLATFORMS
32 ALLOWING DRIVERS AND PASSENGERS TO "RATE" EACH OTHER, A TRANSPORTATION
33 NETWORK COMPANY SHALL USE REASONABLE EFFORTS TO ENSURE THAT SUCH RATINGS
34 ARE NOT BASED ON UNLAWFUL DISCRIMINATION.

35 (E) A TRANSPORTATION NETWORK COMPANY SHALL MAKE AVAILABLE TO PROSPEC-
36 TIVE TRANSPORTATION NETWORK RIDERS AN EXPLANATION OF THE METHOD BY WHICH
37 THE TRANSPORTATION NETWORK COMPANY CALCULATES FARES AND THE OPTION TO
38 DETERMINE AN ESTIMATED FARE ON ITS DIGITAL NETWORK OR WEBSITE.

39 (F) UPON COMPLETION OF A PREARRANGED RIDE, A TRANSPORTATION NETWORK
40 COMPANY SHALL TRANSMIT TO THE TRANSPORTATION NETWORK RIDER AN ELECTRONIC
41 RECEIPT DOCUMENTING: (I) THE POINT OF ORIGIN AND DESTINATION OF THE
42 PREARRANGED RIDE; (II) THE TOTAL DURATION AND DISTANCE OF THE PREAR-
43 RANGED RIDE; (III) THE TOTAL FARE PAID, INCLUDING THE BASE FARE AND ANY
44 ADDITIONAL CHARGES INCURRED FOR DISTANCE TRAVELED OR DURATION OF THE
45 PREARRANGED RIDE; AND (IV) THE DRIVER'S FIRST NAME.

46 (G) A TRANSPORTATION NETWORK COMPANY SHALL MAKE AVAILABLE TO ALL
47 TRANSPORTATION NETWORK RIDERS A CUSTOMER SUPPORT CONTACT ON ITS DIGITAL
48 NETWORK OR WEBSITE FOR TRANSPORTATION NETWORK RIDER INQUIRIES.

49 (H) BEFORE PERMITTING A PERSON TO ACT AS A TRANSPORTATION NETWORK
50 DRIVER, A TRANSPORTATION NETWORK COMPANY SHALL CONFIRM THAT THE PERSON
51 IS AT LEAST TWENTY-ONE YEARS OF AGE AND POSSESSES: (I) A VALID DRIVER'S
52 LICENSE; (II) PROOF OF AUTOMOBILE INSURANCE; AND (III) PROOF OF A NEW
53 YORK VEHICLE REGISTRATION;

54 (I) BEFORE PERMITTING A PERSON TO ACT AS A TRANSPORTATION NETWORK
55 DRIVER, A TRANSPORTATION NETWORK COMPANY SHALL REQUIRE EACH TRANSPORTA-
56 TION NETWORK DRIVER TO WEAR A SAFETY BELT WHILE PERFORMING TRANSPORTA-

1 TION NETWORK SERVICES. THE TRANSPORTATION NETWORK COMPANY SHALL ESTAB-
2 LISH A DRIVER TRAINING PROGRAM FOR ALL TRANSPORTATION NETWORK DRIVERS
3 CONCERNING SAFETY AND PROPER OPERATION OF A TRANSPORTATION NETWORK VEHI-
4 CLE PRIOR TO THE DRIVER BEING ABLE TO OFFER SERVICE.

5 (J) BEFORE PERMITTING A PERSON TO ACT AS A TRANSPORTATION NETWORK
6 DRIVER, A TRANSPORTATION NETWORK COMPANY SHALL OBTAIN THE PROSPECTIVE
7 TRANSPORTATION NETWORK DRIVER'S CRIMINAL HISTORY FROM THE DEPARTMENT OF
8 CRIMINAL JUSTICE SERVICES OR AN EQUIVALENT CRIMINAL HISTORY FROM A THIRD
9 PARTY PROVIDER. A TRANSPORTATION COMPANY SHALL NOT PERMIT AN INDIVIDUAL
10 TO PROVIDE TRANSPORTATION NETWORK SERVICES AS A TRANSPORTATION NETWORK
11 DRIVER IF THE INDIVIDUAL HAS BEEN CONVICTED OF A SERIOUS CRIMINAL
12 OFFENSE.

13 (K) A TRANSPORTATION NETWORK COMPANY SHALL REQUIRE ALL TRANSPORTATION
14 NETWORK DRIVERS TO REPORT ANY CRIMINAL CONVICTIONS IMMEDIATELY AND SHALL
15 NO LONGER PERMIT A TRANSPORTATION NETWORK DRIVER TO PROVIDE TRANSPORTA-
16 TION NETWORK SERVICES IF THE TRANSPORTATION NETWORK COMPANY BECOMES
17 AWARE THAT THE SUBJECT TRANSPORTATION NETWORK DRIVER HAS BEEN CONVICTED
18 OF A SERIOUS CRIMINAL OFFENSE.

19 (L) BEFORE PERMITTING A PERSON TO ACT AS A TRANSPORTATION NETWORK
20 DRIVER, A TRANSPORTATION NETWORK COMPANY SHALL CONDUCT A REVIEW OF THE
21 DRIVING RECORD OF EVERY PROSPECTIVE TRANSPORTATION NETWORK DRIVER AND
22 SHALL NOT PERMIT AN INDIVIDUAL TO BECOME A TRANSPORTATION NETWORK DRIVER
23 IF SUCH INDIVIDUAL HAS MORE THAN THREE MOVING VIOLATIONS WITHIN THE
24 TWELVE MONTH PERIOD PRIOR TO PROVIDING TRANSPORTATION NETWORK SERVICES
25 AS A TRANSPORTATION NETWORK DRIVER.

26 (M) A TRANSPORTATION NETWORK COMPANY SHALL INSTITUTE A ZERO TOLERANCE
27 INTOXICATING SUBSTANCE POLICY WITH RESPECT TO TRANSPORTATION NETWORK
28 DRIVERS AS FOLLOWS: (I) THE TRANSPORTATION NETWORK COMPANY SHALL INCLUDE
29 ON ITS WEBSITE, MOBILE APPLICATION AND TRANSPORTATION NETWORK RIDERS'
30 RECEIPTS A NOTICE CONCERNING THE TRANSPORTATION NETWORK COMPANY'S ZERO-
31 TOLERANCE POLICY AND THE METHODS TO REPORT A DRIVER WHOM THE RIDER
32 REASONABLY SUSPECTS WAS UNDER THE INFLUENCE OF DRUGS OR ALCOHOL DURING
33 THE COURSE OF THE TRANSPORTATION NETWORK RIDE; AND (II) PROMPTLY AFTER A
34 ZERO-TOLERANCE COMPLAINT IS FILED, THE TRANSPORTATION NETWORK COMPANY
35 SHALL SUSPEND THE TRANSPORTATION NETWORK DRIVER FOR FURTHER INVESTI-
36 GATION.

37 (N) A TRANSPORTATION NETWORK COMPANY SHALL REQUIRE THAT EACH TRANSPOR-
38 TATION NETWORK VEHICLE DISPLAYS A MARKING THAT IDENTIFIES THE VEHICLE AS
39 A TRANSPORTATION NETWORK VEHICLE THAT IS VISIBLE FROM THE EXTERIOR OF
40 THE VEHICLE AT ALL TIMES DURING WHICH THE VEHICLE IS BEING USED AS A
41 TRANSPORTATION NETWORK VEHICLE. THE MOBILE PHONE APPLICATION USED BY A
42 TRANSPORTATION NETWORK COMPANY TO CONNECT DRIVERS AND RIDERS MUST
43 DISPLAY FOR THE TRANSPORTATION NETWORK RIDER: A PICTURE OF THE TRANSPOR-
44 TATION NETWORK DRIVER AND A PICTURE OF THE TRANSPORTATION NETWORK VEHI-
45 CLE THE TRANSPORTATION NETWORK DRIVER IS APPROVED TO USE, INCLUDING THE
46 LICENSE PLATE NUMBER TO IDENTIFY THE TRANSPORTATION NETWORK VEHICLE.

47 (O) A TRANSPORTATION NETWORK COMPANY SHALL NOT PERMIT A TRANSPORTATION
48 NETWORK DRIVER TO OFFER OR PROVIDE TRANSPORTATION NETWORK SERVICES FOR
49 MORE THAN TWELVE CONSECUTIVE HOURS.

50 (P) A TRANSPORTATION NETWORK COMPANY SHALL IMPLEMENT AN INTOXICATING
51 SUBSTANCE POLICY FOR TRANSPORTATION NETWORK DRIVERS THAT DISALLOWS ANY
52 AMOUNT OF INTOXICATION OF THE TRANSPORTATION NETWORK DRIVER WHILE
53 PROVIDING TRANSPORTATION NETWORK SERVICES. THE TRANSPORTATION NETWORK
54 COMPANY SHALL INCLUDE ON ITS WEBSITE AND MOBILE DEVICE APPLICATION SOFT-
55 WARE A NOTICE CONCERNING THE TRANSPORTATION NETWORK COMPANY'S INTOXICAT-
56 ING SUBSTANCE POLICY.

1 (Q) A TRANSPORTATION NETWORK COMPANY SHALL MAKE THE FOLLOWING DISCLO-
2 SURE TO A PROSPECTIVE TRANSPORTATION NETWORK DRIVER IN THE PROSPECTIVE
3 TRANSPORTATION NETWORK DRIVER'S TERMS OF SERVICE:

4 WHILE OPERATING ON THE TRANSPORTATION NETWORK COMPANY'S DIGITAL
5 NETWORK, YOUR PERSONAL AUTOMOBILE INSURANCE MIGHT NOT AFFORD LIABILITY
6 COVERAGE, DEPENDING ON THE POLICY'S TERMS.

7 (R) A TRANSPORTATION NETWORK COMPANY SHALL MAKE THE FOLLOWING DISCLO-
8 SURE THAT IS PLACED PROMINENTLY IN THE PROSPECTIVE TRANSPORTATION
9 NETWORK DRIVER'S WRITTEN TERMS OF SERVICE:

10 IF THE VEHICLE THAT YOU PLAN TO USE TO PROVIDE TRANSPORTATION NETWORK
11 SERVICES FOR OUR TRANSPORTATION NETWORK COMPANY HAS A LIEN AGAINST IT,
12 YOU MUST NOTIFY THE LIENHOLDER THAT YOU WILL BE USING THE VEHICLE FOR
13 TRANSPORTATION NETWORK SERVICES THAT MAY VIOLATE THE TERMS OF YOUR
14 CONTRACT WITH THE LIENHOLDER.

15 (S) OTHER THAN THE DISCLOSURE OF AGGREGATED USER DATA AND OTHER INFOR-
16 MATION ABOUT TRANSPORTATION NETWORK USERS THAT IS NOT PERSONALLY IDEN-
17 TIFIABLE, A TRANSPORTATION NETWORK COMPANY SHALL NOT DISCLOSE TO A THIRD
18 PARTY ANY PERSONALLY IDENTIFIABLE INFORMATION CONCERNING A USER OF THE
19 TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK UNLESS: (I) THE TRANS-
20 PORTATION NETWORK COMPANY OBTAINS THE USER'S CONSENT TO DISCLOSE
21 PERSONALLY IDENTIFIABLE INFORMATION; (II) DISCLOSURE IS NECESSARY TO
22 COMPLY WITH A LEGAL OBLIGATION; OR (III) DISCLOSURE IS NECESSARY TO
23 PROTECT OR DEFEND THE TERMS AND CONDITIONS FOR USE OF THE SERVICE OR TO
24 INVESTIGATE VIOLATIONS OF THE TERMS AND CONDITIONS.

25 2. IF ANY PERSON FILES A COMPLAINT WITH THE COMMISSIONER OF MOTOR
26 VEHICLES AGAINST A TRANSPORTATION NETWORK COMPANY OR TRANSPORTATION
27 NETWORK DRIVER, THE COMMISSIONER MAY INSPECT THE TRANSPORTATION NETWORK
28 COMPANY'S RECORDS AS REASONABLY NECESSARY TO INVESTIGATE AND RESOLVE THE
29 COMPLAINT.

30 S 2205. TRANSPORTATION NETWORK SERVICE LIMITATIONS. A TRANSPORTATION
31 NETWORK DRIVER SHALL NOT PROVIDE TRANSPORTATION NETWORK SERVICES UNLESS
32 A TRANSPORTATION NETWORK COMPANY HAS MATCHED THE TRANSPORTATION NETWORK
33 DRIVER TO A TRANSPORTATION NETWORK RIDER THROUGH A DIGITAL NETWORK. A
34 TRANSPORTATION NETWORK DRIVER SHALL NOT SOLICIT OR ACCEPT THE ON-DEMAND
35 SUMMONING OF A RIDE, OTHERWISE KNOWN AS A "STREET HAIL".

36 S 2206. VEHICLE REQUIREMENTS FOR TRANSPORTATION NETWORK VEHICLES.

37 1. THE FOLLOWING REQUIREMENTS APPLY TO THE TRANSPORTATION NETWORK
38 VEHICLES:

39 (A) A TRANSPORTATION NETWORK VEHICLE MUST HAVE AT LEAST FOUR DOORS AND
40 BE DESIGNED TO CARRY NO MORE THAN EIGHT PASSENGERS, INCLUDING THE TRANS-
41 PORTATION NETWORK DRIVER.

42 (B) A TRANSPORTATION NETWORK VEHICLE SHALL DISPLAY THE NAME OR LOGO OF
43 THE TRANSPORTATION NETWORK COMPANY AFFIXED TO THE WINDSHIELD IN A FORM
44 AND MANNER THAT IS VISIBLE FROM THE EXTERIOR OF THE VEHICLE.

45 (C) EACH TRANSPORTATION NETWORK VEHICLE MUST BE INSPECTED NO LESS
46 FREQUENTLY THAN EVERY TWELVE MONTHS BY AN OFFICIAL INSPECTION STATION
47 LICENSED PURSUANT TO SECTION THREE HUNDRED THREE OF THIS CHAPTER, OR, IF
48 THE TRANSPORTATION NETWORK VEHICLE IS REGISTERED IN ANOTHER STATE, BY
49 THE AGENCY RESPONSIBLE FOR VEHICLE REGISTRATION AND INSPECTION IN THAT
50 STATE, AND EACH TRANSPORTATION NETWORK VEHICLE MUST DISPLAY A VALID
51 INSPECTION STICKER INDICATING THE DATE OF THE LAST INSPECTION AND/OR THE
52 EXPIRATION DATE, IF SUCH STICKERS ARE ISSUED BY THE STATE OF REGISTRA-
53 TION.

54 S 2207. PERMIT REQUIRED FOR TRANSPORTATION NETWORK COMPANIES, PENALTY
55 FOR VIOLATION, AND RULES.

1 1. A PERSON SHALL NOT OPERATE A TRANSPORTATION NETWORK COMPANY IN NEW
2 YORK WITHOUT FIRST HAVING OBTAINED A PERMIT FROM THE COMMISSIONER OF
3 MOTOR VEHICLES.

4 2. THE COMMISSIONER OF MOTOR VEHICLES SHALL ISSUE A PERMIT TO EACH
5 TRANSPORTATION NETWORK COMPANY THAT MEETS THE REQUIREMENTS OF THIS ARTI-
6 CLE AND PAYS AN ANNUAL PERMIT FEE.

7 3. THE ANNUAL PERMIT FEE SHALL BE ESTABLISHED AND LEVIED BY THE
8 COMMISSIONER OF MOTOR VEHICLES SUBJECT TO THE APPROVAL OF THE DIRECTOR
9 OF THE DIVISION OF THE BUDGET IN AN AMOUNT THAT IS REASONABLY SUFFICIENT
10 TO RAISE FUNDS TO DEFRAY THE EXPENSES OF THE DEPARTMENT IN ADMINISTERING
11 AND ENFORCING THIS ARTICLE. THE COMMISSIONER MAY PROMULGATE THE RULES
12 AND REGULATIONS NECESSARY TO ADMINISTER THE ANNUAL PERMIT FEE.

13 4. THE COMMISSIONER OF MOTOR VEHICLES SHALL DETERMINE A REASONABLE
14 FORM AND MANNER OF APPLICATION FOR A TRANSPORTATION NETWORK COMPANY
15 PERMIT.

16 5. A PERMIT MAY BE SUSPENDED BY THE COMMISSIONER OF MOTOR VEHICLES FOR
17 FAILURE TO COMPLY WITH THE INSURANCE, REPORTING, OR SAFETY REQUIREMENTS
18 OF THIS ARTICLE. ANY SUCH PERMIT MAY THEREAFTER BE REVOKED IN NO LESS
19 THAN THIRTY DAYS AFTER THE DATE OF SUSPENSION ORDERED BY THE COMMISSION-
20 ER OF MOTOR VEHICLES IF THE CARRIER DOES NOT COMPLY WITH THE RATE,
21 INSURANCE, ANNUAL REPORTING, OR SAFETY REQUIREMENTS OF THIS ARTICLE.

22 6. FOR A VIOLATION OF THIS ARTICLE OR A FAILURE TO COMPLY WITH A
23 COMMISSIONER OF MOTOR VEHICLES ORDER, DECISION, OR RULE ISSUED UNDER
24 THIS ARTICLE, A TRANSPORTATION NETWORK COMPANY IS SUBJECT TO THE COMMIS-
25 SIONER'S AUTHORITY UNDER THIS CHAPTER.

26 7. THE COMMISSIONER OF MOTOR VEHICLES MAY DENY AN APPLICATION UNDER
27 THIS ARTICLE OR REFUSE TO RENEW THE PERMIT OF A TRANSPORTATION NETWORK
28 COMPANY BASED ON A DETERMINATION THAT THE TRANSPORTATION NETWORK COMPANY
29 HAS NOT SATISFIED A CIVIL PENALTY ARISING OUT OF AN ADMINISTRATIVE OR
30 ENFORCEMENT ACTION BROUGHT BY THE COMMISSIONER.

31 S 2208. DRIVER LICENSING REQUIREMENT. NOTWITHSTANDING ANY OTHER
32 PROVISION OF LAW, A CLASS D DRIVER'S LICENSE SHALL BE VALID FOR THE
33 PERFORMANCE OF TRANSPORTATION NETWORK SERVICES BY A TRANSPORTATION
34 NETWORK DRIVER.

35 S 2209. DISTRIBUTION OF FEES AND PENALTIES. ALL PERMIT FEES CHARGED
36 AND COLLECTED BY THE COMMISSIONER UNDER THIS ARTICLE SHALL BE DEPOSITED
37 BY THE COMPTROLLER INTO THE SPECIAL OBLIGATION RESERVE AND PAYMENT
38 ACCOUNT OF THE HIGHWAY AND BRIDGE TRUST FUND ESTABLISHED PURSUANT TO
39 SECTION EIGHTY-NINE-B OF THE STATE FINANCE LAW. ALL MONEYS RECOVERED IN
40 AN ACTION TO RECOVER A PENALTY OR FORFEITURE SHALL BE PAID INTO THE
41 STATE TREASURY TO THE CREDIT OF THE GENERAL FUND.

42 S 2210. RULES AND INSPECTIONS.

43 1. THE COMMISSIONER MAY PROMULGATE RULES CONSISTENT WITH THIS ARTICLE,
44 INCLUDING RULES CONCERNING ADMINISTRATION, FEES, AND SAFETY REQUIREMENTS
45 SO LONG AS THOSE RULES DO NOT EXPAND THE SUBSTANTIVE REQUIREMENTS OF
46 THIS ARTICLE.

47 2. THE COMMISSIONER MAY PROMULGATE RULES REQUIRING A TRANSPORTATION
48 NETWORK COMPANY TO MAINTAIN AND FILE WITH THE COMMISSIONER EVIDENCE OF
49 FINANCIAL RESPONSIBILITY AND PROOF OF THE CONTINUED VALIDITY OF THE
50 INSURANCE POLICY, SURETY BOND, OR SELF-INSURANCE.

51 3. A TRANSPORTATION NETWORK DRIVER MAY BE ORDERED BY A CITY WITH A
52 POPULATION OF ONE MILLION OR MORE, OR A COUNTY WITHIN NEW YORK STATE
53 CONTIGUOUS TO SUCH CITY OR THE COUNTY OF SUFFOLK OR THE COUNTY OF ROCK-
54 LAND TO REPAIR THE TRANSPORTATION NETWORK VEHICLE WHERE IT APPEARS THAT
55 THE TRANSPORTATION NETWORK VEHICLE NO LONGER MEETS THE REASONABLE STAND-
56 ARDS FOR SAFE OPERATION PRESCRIBED BY REGULATIONS OF SUCH JURISDICTION.

1 UPON FAILURE OF THE TRANSPORTATION NETWORK VEHICLE OWNER TO COMPLY WITH
2 SUCH AN ORDER WITHIN TEN DAYS AFTER SERVICE THEREOF, THE TRANSPORTATION
3 NETWORK COMPANY SHALL NO LONGER PERMIT SUCH TRANSPORTATION NETWORK VEHI-
4 CLE TO BE USED FOR TRANSPORTATION NETWORK SERVICES.

5 S 10. This act shall take effect immediately.