

**United Policyholders**

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May 29, 2014

Hon. Susan Bonilla
California State Assembly
State Capitol, Room 4140
Sacramento, CA 94249-0014

Re: AB 2293 - SUPPORT

Dear Assemblymember Bonilla,

We are writing to convey our support for AB 2293 - Transportation network companies (“TNC”): insurance coverage. AB 2293 is a common sense measure that ensures that ridesharing is safe for consumers and insurance coverage is adequate in case of an accident. The tragic death of Sophia Liu by an Uber driver in San Francisco has unfortunately focused our collective attention on the regulatory gaps with respect to ridesharing programs. We offer the following comments regarding required insurance coverage for TNCs.

Comments

As a preliminary matter, AB 2293 is a step in the right direction in terms of protecting TNC passengers from protracted litigation with respect to insurance coverage. By making the TNC (i.e. Uber X, Lyft, or other operator) primarily responsible through their own liability policy, injured passengers will not be required to institute legal action against both the driver and the TNC in order to seek insurance coverage. This is rule of common sense and insulates the injured passenger from issues regarding subrogation and indemnification. If legal action is instituted against the driver, the TNC must have the duty to defend.

Sections 5431 and 5433

With respect to section 5431, TNC passengers and TNC drivers alike should, at a minimum, be able to compel production of a copy of the TNC’s commercial liability policy. Stakeholders, including members of the public and consumer groups (such as UP) should have access to TNC liability policies in order to make informed decisions and understand the risks involved with such activities. This is particularly important because at least one TNC (Uber X) attempts to contract away its liability by classifying itself *not* as a TNC in its disclaimer, therefore creating confusion as to whether the driver’s insurance policy applies or the TNC’s policy applies. Again, in order to avoid unnecessary litigation regarding subrogation and indemnification in the event of an accident, disclosure and explanation of the applicable insurance policy should be *required* by TNCs.

With respect to section 5433, the “on-off” distinction regarding when the TNC’s insurance policy applies is troubling as there is evidence that TNC drivers are incentivized to turn off

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the TNC application when en route to high density “surge zones” as to avoid intermediate calls for service. Section 5433 should be revised such that the TNC’s insurance policy will be in effect for the duration of time in which the TNC driver makes itself available for service, *regardless* of whether the TNC application is turned on or off. Again, this revision serves the interests of consumers at-large and TNC users by alleviating confusion as to which insurance policy is in effect at which time in case of an accident.

About United Policyholders

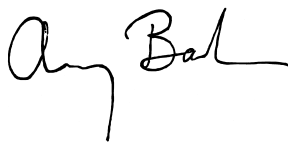
“We” are United Policyholders (“UP”), a non-profit 501(c) (3) organization founded in California in 1991 that is a voice and an information resource for insurance consumers in all 50 states. Donations, foundation grants and volunteer attorneys and staff in all 50 states, support the organization’s work. UP is based in San Francisco but operates nationwide. UP does not sell insurance or accept funding from insurance companies.

UP’s work is divided into three program areas: Roadmap to Recovery™ (disaster recovery and claim help), Roadmap to Preparedness (insurance and financial literacy and disaster preparedness), and Advocacy and Action (advancing pro-consumer laws and public policy through Amicus Briefs, *legislative advocacy*, and regulatory enforcement). UP hosts a library of previous Amicus Briefs, news, tips, sample forms and articles on commercial and personal lines insurance products, coverage, and the claims process at www.uphelp.org.

As a non-profit consumer organization, we aim to protect the interests of insurance consumers with respect to insurance industry transparency, availability and quality of insurance coverage, as well as ensuring that policyholders have access to the civil justice system and adequate rights and remedies.

Thank you for your leadership on AB 2293 and for considering these letter comments in support.

Sincerely,

A handwritten signature in black ink that reads "Amy Bach". The signature is fluid and cursive, with the first name "Amy" and last name "Bach" clearly legible.

Amy Bach, Esq.
Executive Director

Dan Wade, Esq.
Staff Attorney

cc: Sonja Palladino, Legislative Director
Ivan Carrillo, Legislative Aide
Norlyn Asprec, Legislative Aide