



April 18, 2017

Hon. Timothy Larson, Senate Co-Chairperson, Insurance & Real Estate Committee
Hon. Kevin Kelly, Senate Co-Chairperson, Insurance & Real Estate Committee
Hon. Sean Scanlon, House Chairperson, Insurance & Real Estate Committee
Hon. Robert Sampson, House Ranking Member, Insurance & Real Estate Committee

Dear Sen. Larson, Sen. Kelly, Rep. Scanlon and Rep. Sampson:

Since 2015, the Professional Insurance Agents of Connecticut Inc. has advocated for the adoption of comprehensive regulations for Transportation Network Cos. in Connecticut. As such, PIACT supports the intent of H.B.7126—*An Act Concerning Transportation Network Companies*, but has serious concerns with the bill in its current form. Particularly, PIACT objects to the proposed changes to the insurance requirements for taxicabs and liveries that could create gaps in insurance.

Gaps in insurance coverage

One of the primary goals of regulating TNCs is to eliminate gaps in insurance. Gaps in auto insurance can lead to nonpayment for injuries and damages caused by auto accidents, putting drivers, passengers, pedestrians and others at risk. H.B.7126, unfortunately, would actually create a gap in insurance, because it repeals existing statutory insurance requirements for taxicabs and liveries without providing a suitable replacement.

As drafted, the bill brings taxicabs and liveries under what is essentially the same insurance regulatory regime applicable to TNCs. Specifically, the coverage requirements that apply to TNC drivers during period 1 will now also apply to taxi and livery drivers while they are connected to an internet-software application but not currently transporting a passenger. The bill does not go on to define an internet-software application, require the taxi or livery driver be connected to an internet application or address the issue of coverage should the taxi or livery driver not be connected to such application.

This creates a gap in coverage when taxicabs and liveries engage in activity not covered under the TNC model—e.g., picking up street hails or being dispatched via radio to pick up passengers for hire. If the bill is legislated in its current form, there are presumably no minimum liability requirements for a taxi or livery vehicle that is not connected to an internet-software application during period 1. This creates a situation where the mandatory commercial limits during this period could be interpreted as either being nonexistent or as permissible to be well below those required when they are connected.

PIACT is not opposed to “leveling the playing field” between the taxi and livery industry and TNCs. We believe, however, that passing legislation that creates gaps as opposed to eliminating them would result in passengers and drivers being unprotected should an accident occur.

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Recommended changes to H.B.7126

We respectfully request that any adjustments to the regulations covering taxicab and livery insurance be made in a separate legislative vehicle. If adjustments are made, we ask that any effort to do so avoids gaps in coverage and ensures that insurance policies are priced based on the risk presented.

Conclusion

Thank you for considering our concerns regarding H.B 7126. We look forward to working with you to ensure that TNCs, taxis and liveries are all appropriately regulated.

Sincerely,

A handwritten signature in black ink, reading "Kenneth A. Distel". The signature is written in a cursive style with a vertical dotted line to its right.

KENNETH A. DISTEL

President

Professional Insurance Agents of Connecticut Inc.

cc: Office of Governor Dannel P. Malloy
Connecticut Insurance Department
House Democratic Leadership
House Republican Leadership
Senate Democratic Leadership
Senate Republican Leadership