



Assembly Bill 2293 (Bonilla) – SUPPORT

To: The Honorable Kevin de Leon, Chair
The Honorable Mimi Walters, Vice Chair
Members, Senate Appropriations Committee

From: American Insurance Association
Association of California Insurance Companies (ACIC/PCI)
National Association of Mutual Insurance Companies
Pacific Association of Domestic Insurance Companies
Personal Insurance Federation of California

The property casualty trade organizations listed above support AB 2293, which would establish the necessary insurance rules to help protect drivers, passengers, and the public whenever a transportation network company (TNC) like Uber or Lyft operates in California.

AB 2293 IS THE COMPROMISE BILL AND PROVIDES FOR INNOVATION

Unlike other proposals that would require TNCs to carry 24/7 commercial insurance, AB 2293 provides a middle ground, merely making clear that a TNC's commercial insurance coverage applies during the time a driver is engaged in the commercial activity – from when the driver turns on the “app,” which indicates that the drivers is “open for business,” and ceases when the driver turns the app off. No other commercial activity is afforded that standard today.

UBER AND LYFT'S PROPOSAL FAILS TO PROVIDE FULL COVERAGE AND FORCES ALL PERSONAL AUTO POLICIES TO SUBSIDIZE THE COST OF THE COMMERCIAL ACTIVITIES OF THEIR DRIVERS

Uber and Lyft's proposal fails to provide full coverage during the entire period a driver is engaged in commercial TNC services. Rather it provides for “contingent/back-up” coverage during the “app on,” but no match period, at much lower limits than required by the CPUC. (CPUC requires \$1 million limits, while the TNCs proposal would require only \$45,000 per injured person, with a \$90,000 max.) Such coverage will incentivize litigation to find ways to fill the resulting coverage gaps, and will ultimately result in shifting the TNCs cost of doing business to consumers for their personal vehicles.

INNOVATION SHOULD NOT COMPROMISE THE SAFETY OF THE PUBLIC

As businesses, insurance companies support responsible innovation and that is why we agreed to the “app on, app off” standard. To go less than that as proposed by TNCs is irresponsible and leaves the public vulnerable due to the many insurance gaps.

AB 2293 is carefully crafted legislation that clarifies the insurance laws related to TNC activities without stifling business innovation. **For these reasons, we urge your “AYE” vote.**

cc: Author, Assemblymember Susan Bonilla
Senate Appropriations, Brendan McCarthy
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Robert Herrell, Department of Insurance
Governor's Office, Gareth Elliott