



Property Casualty Insurers

Association of America

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Jeffrey Junkas

Regional Manager, State Government Relations

October 21, 2014

SENT VIA EMAIL

The Honorable Kathy Lantry
Council President, City of Saint Paul
and
Members, Saint Paul City Council
15 Kellogg Blvd., West
Saint Paul, MN 55102

Re: Ordinance 14-39; Chapter 373 – Transportation Network Companies – Comments and Suggested Amendments

Dear Council President Lantry and Council Members:

The Property Casualty Insurers Association of America (PCI) is a trade association representing over 1,000 property and casualty insurance companies that write more than \$210 billion in annual premium, and nearly 40 percent of the Minnesota's property casualty insurance. PCI respectfully submits the following comments and suggested minor amendments regarding the above referenced proposed ordinance.

PCI strongly supports innovation and competitive markets and we believe that clear insurance rules that don't leave accident victims in the lurch because of disputes, and laws that do not burden other drivers with unfair costs, are essential to these objectives.

While PCI will continue advocate for a statewide solution, we support the most recent proposed changes to Chapter 373 concerning transportation network companies (TNCs). Though having varying coverage limits during different TNC service periods could be problematic, the latest ordinance covers many of the insurance gaps and potential areas for dispute that PCI has identified in draft regulations/legislation from other jurisdictions.

The proposed changes to Chapter 373 provide for a "bright line rule" with respect to responsibility for insurance coverage [373.07(b) and (c); and 373.07(5)]; require many of the same coverages as common in the personal lines market to protect drivers, passengers and the public [373.07(a)] and provides for innovation [373.07(4)].

PCI supports flexibility in the insurance products that can be used to comply with such ordinances, however we recommend including the following language within Chap. 373 to provide greater clarity in situations where insurance maintained by the TNC driver may have lapsed:

"In every instance where insurance coverage for the transportation network period was maintained by a participating driver to fulfill the obligations of this section has lapsed or ceased to exist, the transportation network company shall provide the coverage required by this section beginning with the first dollar of a claim"

We also suggest that the council consider requiring a proactive notice to the drivers private passenger auto insurer when a driver enrolls as a TNC driver as well as language that makes clear that the insurer providing TNC insurance coverage has sole the duty to defend the driver if suit is filed. PCI would be happy to work with you and your staff on these components.

Please contact me directly at 847-553-3678 or via email at jeffrey.junkas@pciaa.net or Margaret Vesel, PCI's Minnesota counsel, at 651-341-0880 or via email at mvesel@larkinhoffman.com with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey Junkas", written in a cursive style.

Jeffrey Junkas

cc: Margaret Vesel, of Larkin Hoffman law firm