

Executive Summary

Included in this summary are general trends as well as specific examples. While jurisdictions generally exhibited similar responses concerning overall trends, specific details and requirements can vary significantly. If a particular policy or regulation in this section is of interest, it is likely described in greater detail in the jurisdiction's specific entry in the TNC Regulations Review section.

Legal Status of TNCs

The vast majority of responses was that TNCs are indeed operating legally in the examined jurisdictions. Only San Antonio and Washington, D.C. noted that TNCs were not operating legally (at the time of response). In San Antonio, Uber and Lyft had been operating despite having been issued a Cease and Desist order from the Chief of Police early last year. However, a new ordinance regulating TNCs went into effect on March 1, 2015. In Washington, D.C., there is pending legislation related to the matter with rules possibly becoming effective as soon as March 10, 2015. Los Angeles noted that, while operating legally, there are instances of TNC drivers initiating illegal pick-ups outside of the phone applications/digital platform—i.e. taking unauthorized street hails.

Fare Rates

While jurisdictions indeed regulate the fares for traditional private for-hire vehicles (e.g. taxicabs, limousines, etc.), the overwhelming trend is that they do not regulate the fare rates for TNCs. San Antonio does, however, positively stipulate that TNC fares must be calculated based on time and distance; the use of a flat rate or hourly rate is prohibited.

Although TNC fare rates themselves are not regulated by the included jurisdictions, most respondents noted that they require TNCs to provide information regarding the method used to calculate fares, an estimation of the rate for a trip, and that customers be able to positively acknowledge the rate or the fact that surge pricing is in effect prior to accepting the ride.

Surge pricing is generally not explicitly addressed or disallowed in the applicable regulations, and thus it is used by TNCs.

Caps

The general trend is that jurisdictions do cap the number of taxicabs but not for the number of companies. Concerning TNCs, neither the number of companies nor vehicles are capped. Columbus's code regulating TNCs and TNC drivers both contain language that indicates caps could be imposed at the discretion of the Vehicles for Hire Board.

Permit & Licensing Fees

There is a significant amount of variation between jurisdictions in the type and amount of permit and licensing fees that are required of private for-hire companies—including TNCs—but the practice itself is prevalent. Some jurisdictions impose fees on licenses, drivers, and companies, while others mix and match such options. While some examples are laid out in this summary, please see the Fees section for additional detail.

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In Chicago, TNCs have the option of registering as a Class A or Class B transportation network provider. A Class A transportation network provider license costs \$10,000.00, and Class A licensees pay \$0.10 per vehicle per ride accepted to the city's accessibility fund. A Class B transportation network provider license costs \$25,000.00, and Class B licensees pay \$100.00 per vehicle per year to the city's accessibility fund.

King County and Seattle charge a per ride fee. In King County it is \$0.35 per ride, while in Seattle is \$0.10 per ride. In Houston, TNCs pay 2% of their annual gross receipts. In New York City, TNCs must also pay an annual fee of \$500.00 to associate with a for-hire base. Tulsa requires TNCs to pay a license fee determined by the number of drivers accessing the digital platform.

Background Checks

The cities and counties included in this examination require background checks on traditional private for-hire drivers; Virginia does not, as this function belongs to its local governments. There is a fair amount of variation as to who performs the checks. Some jurisdictions have checks performed by a state agency while others provide a list of acceptable third parties.

Aside from Los Angeles, in which TNCs are regulated by the California PUC, the jurisdictions included in this review require background checks on TNC drivers. In some cases, TNCs themselves are responsible for conducting the background check. In others, the state, locality, or third party performs the background check. A number of jurisdictions do impose specific requirements by which the TNC must comply. Please see the Background Checks section for additional detail.

Vehicle Inspections

Vehicle inspections are required of permitted private for-hire vehicles. Like fees and background checks, variation between jurisdictional requirements is prevalent. There are instances in which inspection requirements are the same for TNC vehicles as for other private for-hire vehicles, such as in Minneapolis and Virginia. Conversely, other jurisdictions have requirements for TNC vehicles that differ from those required of taxicabs and limousines. For example, in New York City, taxis are subject to more extensive criteria, including taximeters, air condition, partitions, paint, finish, and vehicle retirement obligations.

Insurance Requirements

Insurance is required for private for-hire vehicles and drivers, including TNCs. Minimum requirements vary from jurisdiction to jurisdiction, but the general trend is that TNCs are required to carry policies with greater coverage than taxicabs. TNCs are also subject to a tiered structure depending on the driver's status. San Antonio refers to these phases as Period One (logged on to the app, not matched with a passenger) and Period Two (logged on, matched with a passenger and until the ride is completed).

Accessibility & Equal Access

Private for-hire transportation is required to provide equal access to services for all neighborhoods and all people, but there are instances in which these requirements do not extend to TNCs. In

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Houston, TNC drivers are not obligated to serve particular areas of the city for pick up, but they are required to serve all destinations within the city. In Los Angeles, there are no requirements for TNCs to provide service in all areas or accessible service.

Most jurisdictions noted that TNCs, if unable to provide wheelchair accessible service themselves, must make arrangements with another company that can provide such services. Minneapolis implemented a new program as of February 1, 2015, to provide greater wheelchair-accessible taxicab service. Five taxicab companies are now providing wheelchair accessible taxicab service 24 hours a day. Those companies that participate receive reduced license fees which are offset by an annual license surcharge imposed on other taxicab companies and TNCs that do not provide wheelchair-accessible services.

What is a Transportation Network?

A digital, online-enabled platform that allows people to arrange transportation services for compensation using their private passenger vehicle; also referred to as *ride-sharing*.

What is a Transportation Network Company (TNC)?

A technology company that arranges transportation services for compensation using transportation network, for example, Uber.

Who is the target customer for Aviva's ride-sharing insurance coverage?

This product is intended for part-time transportation network drivers who:

- use the transportation network automobile for a maximum of 20 hours per week
- have been licensed (G2 and up) in Canada or the U.S. for six years or longer

What coverage is Aviva offering for ride-sharing drivers?

Aviva is offering the Transportation Network endorsement (NPCF 6TN - Permission to Carry Paying Passengers for a Transportation Network). This endorsement transfers the risk from the driver to the insurer, allowing drivers to carry paying passengers when under contract for a transportation network company. The NPCF 6TN:

- is available February 1, 2016 for new and existing Aviva customers in Ontario who can purchase this endorsement to add to their policies (includes customers of Aviva Insurance Company of Canada, Traders General Insurance Company and Scottish & York Co. Limited.
- can be added mid-term
- will remove one of the policy limitations in section 1.8.1 * carry paying passengers* to extend coverage and permit the automobile to be used to carry paying passengers

What is covered under the NPCF 6TN endorsement?

The endorsement extends all policy coverage available to the vehicle in question.

Drivers will be covered for all three periods of the TNC activity including:

Period 1	the driver has logged onto the online-enabled platform and is available to be matched with a paying passenger
Period 2	the driver has accepted a trip through the online-enabled platform and is on route to pick up the passenger
Period 3	the passenger has entered the transportation network automobile and is being transported

The 6TN endorsement applies only to the "Described Automobile" ie, only to the automobile listed in the certificate of insurance with the 6TN endorsement. It does not extend to rental cars or any other non-owned car through OPCF 2/27.

Does the vehicle need to have full coverage, including physical damage coverage, to add the endorsement?

No. At a minimum, the vehicle must have the mandatory liability coverage. The endorsement extends all policy coverage available to the vehicle in question.

Who is eligible for the NPCF 6TN endorsement?

The endorsement is available for existing and new Aviva customers, regardless of driving record, as long as they meet all of Aviva's underwriting rules. The risk must meet our Private Passenger eligibility rules and underwriting criteria. Additional endorsement specific eligibility criteria include:

- The vehicle is used for "Transportation Network" purposes only by drivers listed on the policy.
- All drivers must be licensed (G2 and up) in Canada or the USA for six years or longer.
- The vehicle is used as a Transportation Network vehicle for a *maximum of 20 hours per week*.
- Over 20 hours per week at any time is considered primarily commercial use, meaning that the vehicle is (a) not eligible for this endorsement and is (b) not eligible to be rated as a private passenger vehicle. The insured may, at any time, be required to produce records showing the hours logged onto the Transportation Network(s).
- The vehicle:
 - can seat up to eight occupants, including the driver
 - cannot be used for any retail or wholesale delivery or any other commercial use
 - is not registered or plated for use as a taxi, limousine or any other public transportation
- The following details of transportation network use must be provided in the Remarks section of the Application for Automobile Insurance, and must be entered in the broker portal under the "notes" tab:
 - Transportation Network company name (eg "Uber")
 - names of all transportation network drivers
 - maximum hours per week that the vehicle is used as a Transportation Network vehicle

How much will the endorsement cost?

Many factors go into calculating the cost of auto insurance, including where the driver lives, how far they drive to work and the vehicle driven. These factors are taken into account, as well as the amount of driving the customer does for the transportation network. They are divided into two categories: up to 10 hours per week or 20 hours per week.

The endorsement premium is an annual premium.

When will the endorsement rates be available in the rating vendors?

The rates are currently available through the broker portal. We will advise you when they are available in the rating vendors.

Does the broker have binding authority?

Yes, the broker has binding authority. The 6TN endorsement form must be signed (physical or electronic signature) by the insured before binding coverage.

What happens if the existing Aviva customer is not eligible for the endorsement?

The customer must stop using the vehicle for transportation network driving in order to continue having private passenger coverage. If the customer wishes to continue driving for a transportation network, they will need to obtain commercial coverage because the private passenger policy will need to be terminated mid-term for material change in risk.

What happens if the customer discloses hours of operation that are higher than what is permitted?

We understand that weekly usage may fluctuate. However, the customer must stay within the *permitted Hours of Operation* and within the *maximum number of hours per week* as indicated on the Certificate of Automobile Insurance to be eligible for the endorsement. If the customer discloses more than the maximum number of hours per week and is unable to meet the guidelines, the private passenger policy must be terminated. A commercial policy is the best option for a customer in this scenario.

Are other markets offering coverage for the TNC exposure?

Aviva is first to market with the type of coverage. We are aware of other markets actively seeking coverage solutions for TNC exposure.

Is Aviva seeking a commercial option?

Aviva is considering a commercial TNC option for drivers who drive more than 20 hours per week.

What is the benefit of Aviva's ride-sharing insurance (NPCF 6TN endorsement)?

- Offers a *simple solution* to address the gap in coverage in the marketplace - provides the driver and passengers with peace of mind that they have insurance coverage while ride-sharing.
- Is easy to explain to customers: it removes the exclusion for carrying paying customers from their policy.
- Extends all policy coverage available to the vehicle.
- Is the first policy to respond to a claim.
- Covers *all three periods* of the TNC activity.
- Rates are straightforward, based on driving record, location and hours per week spent driving for the transportation network.
 - Rating levels are easy to understand: up to 10 hours per week or up to 20 hours per week
- Offers an affordable option for part time drivers.
- Multiple transportation network drivers can be insured on the same vehicle, but the total hours of transportation network driving cannot exceed 20 hours per week for that vehicle.