

Motor Vehicle Division Informational Memo # 18-05
Transportation Network Company Insurance Carriers

DATE: April 17, 2018

FROM: Sara Siedsma, Compliance Officer, MVD

TO: All Office of Vehicle & Motor Carrier Services staff and Bureau of Investigation & Identity Protection staff

SUBJECT

This informational memo explains an administrative rule change to chapter 761 IAC 540, Transportation Network Companies (TNC) related to insurance carriers authorized to provide insurance to TNCs.

SUMMARY

During the 2017 legislative session, Iowa Code section 321N.4 was amended to implement a technical correction regarding insurance carriers governed by Iowa Code chapter 518 by removing them from the list of carriers authorized to provide insurance pursuant to Iowa Code chapter 321N.

In order to align with this statutory change, the Department is amending paragraph 540.4(3)“a” to strike the reference to Iowa Code chapter 518. An applicant for a permit to operate as a transportation network company, defined in Iowa Code chapter 321N, must submit several documents, including proof that the applicant has obtained the necessary insurance. Due to the recent change in Iowa Code section 321N.4(6), insurers that are governed by Iowa Code chapter 518 are no longer approved insurers for purposes of applying for a permit to operate a transportation network company. This amendment conforms the rule with 2017 Iowa Acts, Senate File 516, section 25, which amended Iowa Code section 321N.4(6) and implemented a technical correction regarding insurance carriers governed by Iowa Code chapter 518 by removing them from the list of carriers authorized to provide insurance pursuant to Iowa Code chapter 321N.

The amendment to Iowa administrative rule 761—540.4(3)“a” was adopted and is **effective April 18, 2018**.

LINK TO IOWA ADMINISTRATIVE RULES

<https://www.legis.iowa.gov/docs/iac/rule/03-14-2018.761.540.4.pdf>

CURRENT

Previously, insurance carriers governed by Iowa Code chapter 518 were authorized to provide insurance to TNCs, and that authority was codified both in statute and administrative rule.

NEW

We amended administrative rule 761 IAC 504.4(3)“a” to remove insurance carriers governed under Iowa Code chapter 518 from the list of carriers authorized to provide insurance to TNCs under Iowa Code chapter 321N in order to align with the statutory change removing those carriers from the authorized list.

BUSINESS IMPACT

This directive does not directly impact the way that OV&MCS functions, but it is important to understand this directive as we are the office responsible for oversight of TNCs and knowing which insurance carriers are permitted to provide insurance to TNCs is relevant to the application and auditing process.