

Dear Councilmember Cheh,

Thank you very much for the opportunity to offer testimony today on B20-0753 – “Transportation Network Services Innovation Act of 2014” on behalf of the National Association of Mutual Insurance Companies (NAMIC).

We are the largest property/casualty insurance trade association in the country, serving regional and local mutual insurance companies on main streets across America as well as many of the country’s largest national insurers.

The 1,400 NAMIC member companies serve more than 135 million auto, home and business policyholders and write more than \$196 billion in annual premiums, accounting for 50 percent of the automobile/homeowners market and 31 percent of the business insurance market.

We understand the changing culture that accompanies technological innovation, especially that which is occurring over the internet and social media platforms. When considering how these advances are affecting automobile coverage, insurers are looking at the issue through the lens of making sure that citizens are not caught in a “gap” where coverage may not be provided.

The conveyance of customers by citizens engaged with a commercial enterprise organizing the interaction known as “ride sharing” is a new phenomenon that the City Council is wise to address in B20-0753. As you consider this legislation we ask you to consider several concerns that we have with the enterprise:

- 1) Ride-sharing is clearly a commercial activity. Coverage for the commercial enterprise should accordingly be primary coverage and should not be secondary to any personal auto policy that the driver possesses.
- 2) There should be a bright line for the beginning and end of the commercial activity so that there are no disputes over when the commercial coverage is in effect. Any dispute would undoubtedly provide less protection to consumers and potentially encourage fraud.
- 3) The Transportation Network Company or otherwise provider of commercial coverage must include a duty to defend and a duty to indemnify as part of the policy. This is a sacrosanct tenet of auto insurance and is especially necessary for this commercial interaction with the public at large.

3601 Vincennes Road, Indianapolis, Indiana 46268  
Phone: 317.875.5250 | Fax: 317.879.8408

[www.namic.org](http://www.namic.org)

122 C Street N.W., Suite 540, Washington, D.C. 20001  
Phone: 202.628.1558 | Fax: 202.628.1601

NAMIC is committed to helping our members protect the public by delivering the best insurance products available to consumers. In the case of B20-0753 we ask the Committee to ensure that coverage is appropriate and adequate to protect the public engaging in ride sharing activities. Thank you for your time today to testify before the Committee. If we can be of any assistance to the Council on this or other issues please don't hesitate to call on me.

Sincerely,

Erin Collins  
Director – State Affairs – Mid-Atlantic  
National Association of Mutual Insurance Companies  
**Where the future of insurance has its voice™**