

ATTACHMENT I



DAVE JONES
Insurance Commissioner

June 16, 2014

President Michael R. Peevey
California Public Utilities Commission
505 Van Ness Avenue, 5th Floor
San Francisco, California, 94102

Re: Rulemaking 12-12-01, Proposed Decision Modifying Decision 13-09-045

Dear President Peevey:

Thank you for your efforts to protect California consumers by closing the Transportation Network Companies (TNCs) insurance gaps identified by the California Department of Insurance. As discussed below, your Proposed Decision Modifying Decision 13-09-045, served June 10, 2014, closes those gaps.

I write to strongly encourage the California Public Utilities Commission to adopt the Proposed Decision with minor changes and implement the new insurance requirements as soon as possible. Your Proposed Decision makes the new requirement effective upon the expiration of a TNC's current policy or one year from the date of the decision, whichever is sooner. Instead, we urge the CPUC to require TNCs to comply with the new insurance requirements 60 days from the date the Proposed Decision is adopted.

Other changes should include: 1) requiring TNCs to provide TNC drivers with proof of TNC insurance to be used in case of an accident; 2) the inclusion of the word "primary" each time the TNC insurance requirements are mentioned; and 3) requiring TNCs to disclose to TNC drivers that the TNC policy will not provide coverage for rides given to private clients outside of the TNC application.

We applaud your decision to protect Californians by requiring TNCs to maintain the following types of coverage:

- \$1M liability insurance
- \$1M uninsured/underinsured motorist coverage
- \$50,000 comprehensive and collision coverage
- \$5,000 medical payments coverage

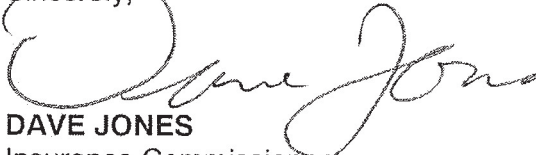
Your modifications also clarify that drivers are providing TNC services whenever they have the TNC application open and are available to pick up passengers. This will expand insurance to include Period 1 and provide protection in the event that someone is hit by a TNC driver when the application is open but no passenger is in the car. Tragically, we have already had one fatality when a TNC driver struck and killed a child while the TNC application was on.

We also applaud your decision to make the TNCs' insurance primary. TNCs were attempting to shift the insurance burden to the drivers' personal auto insurers which could have ultimately resulted in increased rates for all California drivers. Requiring TNCs to maintain primary insurance will ensure that TNCs, not the public, bear the cost of TNC insurance. The Final Decision should include the "primary" requirement in the Order (now it is only in the body of the Proposed Decision).

Finally, we note that your proposed decision allows TNCs to meet these insurance requirements by combining a TNC policy with a TNC driver policy specifically written to cover TNC services. While no such TNC driver policy currently exists, we commend you for including this clause. It will allow the newly emerging TNC industry and interested insurers the chance to craft new insurance products for TNC drivers without increasing insurance rates for all Californians.

We encourage the CPUC to adopt the Proposed Decision and implement the modifications as soon as possible. Thank you for your work to protecting consumers.

Sincerely,



DAVE JONES
Insurance Commissioner

Cc: Commissioner Michel Peter Florio, CPUC
Commissioner Catherine J.K. Sandoval, CPUC
Commissioner Carla J. Peterman, CPUC
Commissioner Michael Picker, CPUC
Assemblymember Susan Bonilla
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