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Walsh
3/9/26

CS FOR SENATE BILL NO. 35(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATOR BJORKMAN

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to transportation network companies and delivery network companies;**
2 **and relating to occupational accident insurance."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 21.96 is amended by adding a new section to read:

5 **Sec. 21.96.017. Transportation and delivery network company**
6 **occupational accident insurance.** An insurer authorized to write commercial casualty
7 insurance in this state may issue group or blanket occupational accident insurance
8 required under AS 28.23.065. In this section, "group or blanket occupational accident
9 insurance" does not include health care insurance as defined under AS 21.12.050 or
10 workers' compensation insurance.

11 * **Sec. 2.** AS 21.96.018(a) is amended to read:

12 (a) Insurers that write automobile insurance in the state may, notwithstanding
13 any requirement under AS 28.20, exclude any and all coverage afforded under the
14 policy issued to an owner or operator of a personal vehicle for any loss or injury that

occurs [WHILE A DRIVER IS LOGGED ONTO THE DIGITAL NETWORK OF A TRANSPORTATION NETWORK COMPANY OR] while a driver provides a prearranged ride. The right to exclude all coverage may apply to any coverage included in an automobile insurance policy, including

- (1) liability coverage for bodily injury and property damage;
- (2) uninsured and underinsured motorist coverage;
- (3) medical payments coverage;
- (4) comprehensive physical damage coverage; and
- (5) collision physical damage coverage.

* **Sec. 3.** AS 23.30.230(a) is amended to read:

(a) The following persons are not covered by this chapter:

- (1) a part-time babysitter;
- (2) a cleaning person;
- (3) harvest help and similar part-time or transient help;
- (4) a person employed as a sports official on a contractual basis and who officiates only at sports events in which the players are not compensated; in this paragraph, "sports official" includes an umpire, referee, judge, scorekeeper, timekeeper, organizer, or other person who is a neutral participant in a sports event;
- (5) a person employed as an entertainer on a contractual basis;
- (6) a commercial fisherman, as defined in AS 16.05.940;
- (7) an individual who drives a taxicab and whose compensation and written contractual arrangement is as described in AS 23.10.055(a)(13), unless the hours worked by the individual or the areas in which the individual may work are restricted except to comply with local ordinances;
- (8) a participant in the Alaska temporary assistance program (AS 47.27) who is engaged in work activities required under AS 47.27.035 other than subsidized or unsubsidized work or on-the-job training;
- (9) a person employed as a player or coach by a professional hockey team if the person is covered under a health care insurance plan provided by the professional hockey team, the coverage is applicable to both work-related and nonwork-related injuries, and the coverage provides medical and related benefits as

1 required under this chapter, except that coverage may not be limited to two years from
2 the date of injury as described under AS 23.30.095(a); in this paragraph, "health care
3 insurance" has the meaning given in AS 21.12.050;

4 (10) a person working as a qualified real estate licensee who performs
5 services under a written contract that provides that the person will not be treated as an
6 employee for federal income tax or workers' compensation purposes; in this
7 paragraph, "qualified real estate licensee" means a person who is required to be
8 licensed under AS 08.88.161 and whose payment for services is directly related to
9 sales or other output rather than the number of hours worked;

10 (11) a transportation network company driver who provides a
11 prearranged ride or is otherwise logged onto the digital network of a transportation
12 network company as a driver; [AND]

13 (12) a person employed as an independent contractor; a person is an
14 independent contractor for the purposes of this section only if the person

15 (A) has an express contract to perform the services;

16 (B) is free from direction and control over the means and
17 manner of providing services, subject only to the right of the individual for
18 whom, or entity for which, the services are provided to specify the desired
19 results, completion schedule, or range of work hours, or to monitor the work
20 for compliance with contract plans and specifications, or federal, state, or
21 municipal law;

22 (C) incurs most of the expenses for tools, labor, and other
23 operational costs necessary to perform the services, except that materials and
24 equipment may be supplied;

25 (D) has an opportunity for profit and loss as a result of the
26 services performed for the other individual or entity;

27 (E) is free to hire and fire employees to help perform the
28 services for the contracted work;

29 (F) has all business, trade, or professional licenses required by
30 federal, state, or municipal authorities for a business or individual engaging in
31 the same type of services as the person;

(G) follows federal Internal Revenue Service requirements by

(i) obtaining an employer identification number, if required;

(ii) filing business or self-employment tax returns for the previous tax year to report profit or income earned for the same type of services provided under the contract; or

(iii) intending to file business or self-employment tax returns for the current tax year to report profit or income earned for the same type of services provided under the contract if the person's business was not operating in the previous tax year; and

(H) meets at least two of the following criteria:

(i) the person is responsible for the satisfactory completion of services that the person has contracted to perform and is subject to liability for a failure to complete the contracted work, or maintains liability insurance or other insurance policies necessary to protect the employees, financial interests, and customers of the person's business;

(ii) the person maintains a business location or a business mailing address separate from the location of the individual for whom, or the entity for which, the services are performed;

(iii) the person provides contracted services for two or more different customers within a 12-month period or engages in any kind of business advertising, solicitation, or other marketing efforts reasonably calculated to obtain new contracts to provide similar services; **and**

(13) a delivery network company courier who provides delivery services or is otherwise logged onto the digital network of a delivery network company under AS 28.23.080.

* **Sec. 4.** AS 28.23.050(a) is amended to read:

(a) A [TRANSPORTATION NETWORK COMPANY] driver **or courier**, or [TRANSPORTATION NETWORK] company on behalf of the driver **or courier**,

1 shall maintain primary automobile insurance that recognizes that the driver is a
 2 transportation network company driver or otherwise uses a vehicle to transport
 3 passengers for compensation, **or that the courier is a delivery network company**
 4 **courier**, and that covers the driver **or courier** [WHILE THE DRIVER IS LOGGED
 5 ONTO THE DIGITAL NETWORK OF A TRANSPORTATION NETWORK
 6 COMPANY OR] while the driver **or courier** is engaged in a prearranged ride **or**
 7 **providing delivery services**.

8 * **Sec. 5.** AS 28.23.050(b) is amended to read:

9 (b) The following automobile insurance requirements shall apply while a
 10 participating [TRANSPORTATION NETWORK COMPANY] driver **or courier** [IS
 11 LOGGED ONTO THE DIGITAL NETWORK OF A TRANSPORTATION
 12 NETWORK COMPANY AND] is available to receive transportation **or delivery**
 13 requests but is not engaged in a prearranged ride **or providing delivery services**:

14 (1) primary automobile liability insurance in the amount of at least
 15 \$50,000 for death and bodily injury for each person, \$100,000 for death and bodily
 16 injury for each incident, and \$25,000 for property damage;

17 (2) uninsured or underinsured motor vehicle coverage as required
 18 under AS 21.96.020 and AS 28.20.440;

19 (3) the coverage requirements of this subsection may be satisfied by

20 (A) automobile insurance maintained by the
 21 [TRANSPORTATION NETWORK COMPANY] driver **or courier**;

22 (B) automobile insurance maintained by the
 23 [TRANSPORTATION NETWORK] company; or

24 (C) any combination of (A) and (B) of this paragraph.

25 * **Sec. 6.** AS 28.23.050(c) is amended to read:

26 (c) The following automobile insurance requirements shall apply while a
 27 [TRANSPORTATION NETWORK COMPANY] driver is engaged in a prearranged
 28 ride **or a courier is providing delivery services**:

29 (1) primary automobile liability insurance that provides at least
 30 \$1,000,000 for death, bodily injury, and property damage;

31 (2) uninsured or underinsured motor vehicle coverage as required

1 under AS 21.96.020 and AS 28.20.440;

2 (3) the coverage requirements of this subsection may be satisfied by

3 (A) automobile insurance maintained by the
4 [TRANSPORTATION NETWORK COMPANY] driver or courier;

5 (B) automobile insurance maintained by the
6 [TRANSPORTATION NETWORK] company; or

7 (C) a combination of (A) and (B) of this paragraph.

8 * **Sec. 7.** AS 28.23.050(d) is amended to read:

9 (d) If insurance maintained by a driver or courier under (b) or (c) of this
10 section has lapsed or does not provide the required coverage, insurance maintained by
11 a [TRANSPORTATION NETWORK] company must provide the coverage required
12 by this section beginning with the first dollar of a claim, and the
13 [TRANSPORTATION NETWORK] company insurer has the duty to defend that
14 claim.

15 * **Sec. 8.** AS 28.23.050(e) is amended to read:

16 (e) Coverage under an automobile insurance policy maintained by the
17 [TRANSPORTATION NETWORK] company may not be dependent on a personal
18 automobile insurer first denying a claim nor shall a personal automobile insurance
19 policy be required first to deny a claim.

20 * **Sec. 9.** AS 28.23.050(h) is amended to read:

21 (h) A [TRANSPORTATION NETWORK COMPANY] driver or courier
22 shall carry proof of coverage under (b) and (c) of this section with the driver or
23 courier at all times during the driver's or courier's use of a vehicle in connection with
24 a digital network of a [TRANSPORTATION NETWORK] company. In the event of
25 an accident, a [TRANSPORTATION NETWORK COMPANY] driver or courier
26 shall provide the insurance coverage information to the directly interested parties,
27 automobile insurers, and investigating police officers upon request under
28 AS 28.22.019. Upon that request, a [TRANSPORTATION NETWORK COMPANY]
29 driver or courier shall also disclose to directly interested parties, automobile insurers,
30 and investigating police officers whether the driver or courier was logged onto the
31 digital network of a [TRANSPORTATION NETWORK] company, [OR] on a

1 prearranged ride, **or providing delivery services** at the time of an accident.

2 * **Sec. 10.** AS 28.23.050(i) is amended to read:

3 (i) If the insurance carrier for the [TRANSPORTATION NETWORK]
4 company makes a payment for a claim for physical damage to a personal vehicle that
5 is subject to a lien, the insurance carrier shall pay the claim jointly to the owner of the
6 personal vehicle and the primary lienholder or directly to the business repairing the
7 personal vehicle.

8 * **Sec. 11.** AS 28.23.060 is amended to read:

9 **Sec. 28.23.060. Transportation and delivery network company automobile**
10 **insurance disclosures.** A [TRANSPORTATION NETWORK] company shall
11 disclose in writing to [TRANSPORTATION NETWORK COMPANY] drivers **and**
12 **couriers** the following before the drivers are allowed to accept a request for a
13 prearranged ride **or delivery services** on the digital network of the
14 [TRANSPORTATION NETWORK] company:

15 (1) the insurance coverage, including the types of coverage and the
16 limits for each coverage, that the [TRANSPORTATION NETWORK] company
17 provides while the [TRANSPORTATION NETWORK COMPANY] driver **or**
18 **courier** uses a personal vehicle in connection with a [TRANSPORTATION
19 NETWORK] company's digital network;

20 (2) that the automobile insurance policy of the [TRANSPORTATION
21 NETWORK COMPANY] driver **or courier** might not provide any coverage while the
22 driver **or courier** [IS LOGGED ONTO THE DIGITAL NETWORK OF A
23 TRANSPORTATION NETWORK COMPANY AND IS AVAILABLE TO
24 RECEIVE TRANSPORTATION REQUESTS OR] is engaged in a prearranged ride
25 **or providing delivery services**, depending on the terms of the automobile insurance
26 policy of the driver **or courier**; and

27 (3) that, if the personal vehicle the [TRANSPORTATION NETWORK
28 COMPANY] driver **or courier** uses to provide transportation network services **or**
29 **delivery services** has a lien against it, using the motor vehicle for transportation
30 network services **or delivery services** without physical damage coverage may violate
31 the terms of the contract with the lienholder.

1 * **Sec. 12.** AS 28.23 is amended by adding a new section to read:

2 **Sec. 28.23.065. Occupational accident insurance.** (a) A company shall
3 maintain group or blanket occupational accident insurance, issued by an insurer under
4 AS 21.96.017, to provide coverage required under (b) of this section resulting from an
5 injury suffered by a driver or courier while the driver or courier is engaged in a
6 prearranged ride or providing delivery services.

7 (b) The occupational accident insurance policy required under this section
8 must provide at least a combined single limit of \$1,000,000 for each accident and
9 payment of benefits that include

10 (1) coverage for medical expenses incurred, up to at least \$1,000,000,
11 for up to 104 weeks following the injury;

12 (2) coverage for total disability and partial disability, with payments
13 made for up to 104 weeks following the injury that are equal to 66 percent of the
14 driver's or courier's average weekly earnings as of the date of injury but not more than
15 the maximum weekly compensation rate calculated under AS 23.30.175(a); however,
16 if the average weekly earnings of the driver or courier is less than the minimum
17 weekly compensation rate calculated under AS 23.30.175(a), the weekly
18 compensation must be equal to 100 percent of the driver's or courier's average weekly
19 earnings;

20 (3) accidental death insurance for the benefit of spouses, children, or
21 other dependents of a driver or courier for injuries suffered by a driver or courier that
22 result in death in an amount equal to 66 percent of the driver's or courier's average
23 weekly earnings as of the date of injury but not more than the maximum weekly
24 compensation rate calculated under AS 23.30.175(a); however, if the average weekly
25 earnings of the driver or courier is less than the minimum weekly compensation rate
26 calculated under AS 23.30.175(a), the weekly compensation must be equal to 100
27 percent of the driver's or courier's average weekly earnings multiplied by 104 weeks;
28 and

29 (4) when injuries suffered by a driver or courier result in death, an
30 amount to pay for reasonable burial expenses, not to exceed eight times the maximum
31 weekly compensation rate calculated under AS 23.30.175(a).

1 (c) A policy required under this section may provide that, regardless of the
2 number of policies involved, claims made, premiums shown on the policy, or
3 premiums paid, the limits for any coverage under the policy may not be added to the
4 limits for similar occupational accident insurance coverage provided by another
5 company to determine the limit of occupational accident insurance coverage available
6 arising from a single injury.

7 (d) A benefit provided to a driver or courier under an occupational accident
8 insurance policy required under this section must be treated as an amount payable
9 under medical payments coverage, workers' compensation law, or a disability benefit
10 for the purpose of determining the amount payable under uninsured and underinsured
11 motorists coverage provided under AS 28.20.440 and 28.20.445.

12 (e) If a claim is covered by more than one occupational accident insurance
13 policy maintained by more than one company, the insurer of the company against
14 whom a claim is filed is entitled to a contribution for the pro rata share of coverage
15 attributable to other companies.

16 (f) In this section, "average weekly earnings" means the total earnings of a
17 driver or courier received from all transportation network companies and delivery
18 network companies during the 28 days immediately preceding a covered incident,
19 divided by four.

20 * **Sec. 13.** AS 28.23.070 is amended to read:

21 **Sec. 28.23.070. Certificate of insurance.** A [TRANSPORTATION
22 NETWORK] company shall file a written certificate of insurance with the director of
23 the division of insurance demonstrating that the [TRANSPORTATION NETWORK]
24 company has satisfied the requirements of AS 28.23.050 **and 28.23.065. A** [. THE]
25 certificate of insurance must state that the applicable insurance policy may not be
26 cancelled unless written notice is provided to the division of insurance at least 30 days
27 before cancellation.

28 * **Sec. 14.** AS 28.23.080(a) is amended to read:

29 (a) Except as provided in (b) of this section, a transportation network company
30 **or delivery network company** is not an employer of transportation network company
31 drivers **or delivery network company couriers** under AS 23.10.699, AS 23.20.520,

1 or AS 23.30.395. A transportation network company driver **or delivery network**
2 **company courier** is an independent contractor for all purposes and is not an employee
3 of the [TRANSPORTATION NETWORK] company if the [TRANSPORTATION
4 NETWORK] company

5 (1) does not unilaterally prescribe specific hours during which a driver
6 **or courier** shall be logged onto the digital network of the [TRANSPORTATION
7 NETWORK] company;

8 (2) does not impose restrictions on the ability of the driver to use the
9 digital network of other transportation network companies **or delivery network**
10 **companies;**

11 (3) does not restrict a driver from engaging in any other occupation or
12 business; and

13 (4) enters into a written agreement with the driver **or courier** stating
14 that the driver **or courier** is an independent contractor for the [TRANSPORTATION
15 NETWORK] company.

16 * **Sec. 15.** AS 28.23.180(1) is amended to read:

17 (1) "digital network" means any online-enabled application, software,
18 website, or system offered or used by a

19 **(A)** transportation network company that enables the
20 prearrangement of rides with transportation network company drivers; **or**

21 **(B) delivery network company to facilitate offers for**
22 **delivery services;**

23 * **Sec. 16.** AS 28.23.180 is amended by adding new paragraphs to read:

24 (7) "company" means a transportation network company or a delivery
25 network company;

26 (8) "delivery network company" means a business entity that maintains
27 a digital network used to facilitate offers for delivery services in the state;

28 (9) "delivery network company courier" or "courier" means a person
29 who is authorized to accept and fulfill offers through the digital network of a delivery
30 network company; "delivery network company courier" or "courier" does not include
31 a person whose services require the use of a vehicle weighing more than 6,000

1 pounds;

2 (10) "delivery services" means the pickup of an item from a location in
3 the state and the delivery of that item to a location selected by the customer within 50
4 miles of the pickup location by walking or using a motor vehicle, a bicycle, a scooter,
5 public transportation, or other means of transportation and the selection, collection, or
6 purchase of items by a delivery network company courier, as well as other services
7 incident to delivery; "delivery services" does not include assistance with residential
8 moving services;

9 (11) "offer" means the opportunity to perform delivery services for
10 compensation that a delivery network company presents to a courier through a digital
11 network.

12 * **Sec. 17.** AS 21.96.018(b)(1)(A) and 21.96.018(b)(2)(A) are repealed.