



OPPOSE UNLESS AMENDED
**SB 35: Uninsured/Underinsured Motorist Coverage
for TNCs and definition of “delivery services”**

SB 35 is important for Uber to continue to offer delivery services in Alaska. The bill would classify individuals who provide prearranged rides or delivery services through digital networks as independent contractors, aligning their status with that of rideshare drivers, and ensuring the continued availability of delivery services in the state.

However, recent amendments to the bill also drastically increase insurance requirements for transportation network companies. We are particularly concerned by the new inclusion of \$1 million in uninsured/underinsured motorist (UM/UIM) coverage when a passenger is in the vehicle — an amount that appears to be arbitrary, and is in fact the same amount that was just lowered by the State of California because it was a magnet for excessive litigation and out-of-control costs.

Critically, UM/UIM coverage is for accidents when the driver is not at fault, and the at-fault party is either carrying no insurance, or insufficient insurance to cover the damage they caused. This is a policy that can be abused very easily, and as a result, has led to significant debate across the country. Further, UM/UIM is unnecessary and duplicative for the purposes of covering the driver’s injuries in the event of an accident, as SB 35 also requires transportation network companies to provide occupational accident insurance.

If the legislature wishes to change Alaska law to be more like California, it will also be choosing to make consumer goods and services prohibitively expensive like they are in California. This was the leading reason Governor Newsom signed [Senate Bill 371](#), which eliminates the \$1M requirement and instead specifies that transportation network companies carry UM/UIM coverage in the amount of *\$60,000 per person* and *\$300,000 per incident* while a passenger is in the vehicle. Following the lead of one of the most consistently expensive states in the country will likely produce the exact same results: dramatically higher costs for consumers.

We also encourage the legislature to clarify the requirement in the bill that insurance coverage for delivery services must extend to a nonexistent period when couriers “*return to the location they accepted the offer*”. Couriers may accept a delivery offer from anywhere — their home, another workplace, a parking lot, or simply while running personal errands. There is no guarantee that they will ever return to a specific location after completing a trip, and insurance coverage extending until they do effectively makes the coverage ongoing, for activity unrelated to their business with a delivery network company.

For over a decade, digital marketplaces and platforms like Uber have promoted a new type of work that empowers individuals to determine where and when they work, and offers new

options for people traditionally marginalized from the labor market. Fixing the law to preserve this type of work is important — as is protecting the workers who earn on the platform. But it is equally important to preserve what is already working, and enables these services to continue in Alaska.

We welcome continued dialogue and are happy to provide any additional information that would be helpful as you continue to evaluate these issues.

Thank You,

John L. Finley
Manager, Public Policy, Uber Technologies
jfinley@uber.com