

ALASKA STATE LEGISLATURE

House Labor & Commerce Committee



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SB 35 Delivery Network Companies
Sectional Analysis
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This is a summary only. Note that this summary should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1: Amends AS 21.96, to add AS 21.96.017 allowing an insurer to issue group or blanket occupational accident insurance. This section excludes health care insurance and workers' compensation insurance.

Section 2: Amends AS 21.96.018(a), allowing personal vehicle insurers to exclude certain coverages to the owner or operator of a vehicle while a TNC driver is logged onto the digital network or providing a prearranged ride or to a courier providing delivery services.

Section 3: Amends AS 21.96.018(b), making conforming changes and providing circumstances in which an insurer may provide or deny coverage.

Section 4: Amends AS 21.96.018(f), referring definitions for the section to definitions made in AS 28.23.180.

Section 5: Amends AS 21.96.020 disallowing an insured from waiving certain uninsured / underinsured motorist coverage.

Section 6: Amends AS 23.30.230(a), *Alaska Workers' Compensation Act*, by adding a delivery network company couriers to the list of individuals who are not covered by Workers' Compensation.

Section 7: Amends AS 28.20.440 requiring an operator of a vehicle used for transportation of persons for hire to maintain primary auto liability insurance and uninsured/underinsured motorist coverage for \$500,000 each. The operator may not waive the coverage.

Section 8: Amends AS 28.20.445, disallowing an insured from waiving certain uninsured/underinsured motorist coverage.

Section 9: Amends AS 28.22.201, disallowing an insured from waiving certain uninsured/underinsured motorist coverage.

Section 10: Amends AS 28.23.050(a), adds delivery network couriers to the section requiring a company to maintain primary automobile insurance on behalf of a courier while they provide delivery services or are otherwise available to receive an offer.

Section 11: Amends AS 28.23.050(b), making conforming changes and adding language that disallows a transportation network company from waiving uninsured or underinsured vehicle coverage and to maintain insurance on behalf of a courier while they provide delivery services or are otherwise available to receive an offer.

Section 12: Amends AS 28.23.050(c), making conforming changes and adding couriers providing delivery services to the \$1,000,000 primary auto liability insurance. The section also requires a minimum of \$500,000 in uninsured/underinsured coverage and disallows a company from waiving vehicle coverage.

Section 13: Amends AS 28.23.050(e), making conforming changes to include delivery network company couriers.

Section 14: Amends AS 28.23.050(h), making conforming changes to include delivery network company couriers.

Section 15: Amends AS 28.23.050(i), making conforming changes to include delivery network company couriers.

Section 16: Amends AS 28.23.060, making conforming changes to include delivery network company couriers.

Section 17: Amends AS 28.23, to add AS 28.23.065 requiring companies to maintain group or blanket occupational accident insurance while a driver is engaged in a prearranged ride or while a courier is providing delivery services. This section also sets statutory requirements for insurance benefits and requires at least a combined single limit of \$1M for each accident and payment of benefits that include medical expenses, coverage for disability, accidental death insurance for the benefit of spouses and dependents, and burial expenses. Additionally defines “average weekly earnings.”

Section 18: Amends AS 28.23.070, making conforming changes to include delivery network couriers and adding a statutory reference for occupational accident insurance to be required in the certificate of insurance filed with the Director of the Division of Insurance.

Section 19: Amends AS 28.23.080(a), to establish that delivery network companies are not an employer of transportation network drivers or delivery network couriers. An independent

contractor for all purposes is not an employee of the company if the company does not propose specific working hours, does not impose restrictions on the ability of the driver to use the digital network of other companies, does not restrict a driver from engaging in any other occupation, or if the company enters into a written agreement with the driver or courier.

Section 20: Adds a new section (**AS 28.23.150**) setting baseline payment rules for how TNC and DNCs must compensate drivers for prearranged rides and related travel.

- **Subsection (a)** – requires a transportation network driver pay a driver at least 120% of the state minimum wage established in AS 23.10.065. This section also requires a \$0.37 per mile credit.
- **Subsection (b)** – requires the same compensation rate and per-mile credit for delivery network company couriers
- **Subsection (c)** – On January 1 each year, the per-mile credit will be adjusted for inflation based on the Consumer Price Index.
- **Subsection (d)** – states that a company may not count any gratuity (tip) paid by a rider toward the compensation the company is required to pay under this section.

Section 21: Amends **AS 28.23.180(1)**, by adding to the definition of “digital network” to include use by delivery network companies to facilitate offers for delivery services.

Section 22: Amends **AS 28.23.180**, defining “company”, “delivery network company”, “delivery network company courier” or “courier”, “delivery services”, and “offer.”

Section 23: Repeals **AS 28.23.050(d)**.