

SENATE, No. 486

STATE OF NEW JERSEY
220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

Sponsored by:

Senator NICHOLAS P. SCUTARI

District 22 (Middlesex, Somerset and Union)

SYNOPSIS

Requires food delivery network company to maintain certain automobile insurance.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



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1 AN ACT concerning food delivery network companies and insurance
2 and supplementing P.L.2017, c.26 (C.39:5H-1 et seq.).

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. a. A food delivery network company driver, food delivery
8 network company, or any combination of the two shall maintain
9 primary automobile insurance that recognizes that the driver is a
10 food delivery network company driver, or otherwise uses a personal
11 vehicle to provide prearranged food delivery, and covers the driver:
12 (1) while the driver is logged on to the food delivery network
13 company's digital network but is not providing a prearranged food
14 delivery; or (2) while the driver is providing a prearranged food
15 delivery.

16 b. Whenever a food delivery network company driver is logged
17 on to the food delivery network company's digital network and is
18 available to receive a prearranged food delivery request, but is not
19 providing a prearranged food delivery, the food delivery network
20 company driver, food delivery network company, or any
21 combination of the two shall maintain the following insurance
22 coverage:

23 (1) primary automobile liability insurance in the amount of at
24 least \$50,000 for death or bodily injury per person, \$100,000 for
25 death or bodily injury per incident, and \$25,000 for property
26 damage;

27 (2) primary personal injury protection benefits that provide
28 coverage amounts selected pursuant to section 4 of P.L.1972, c.70
29 (C.39:6A-4); and

30 (3) uninsured and underinsured motorist coverage to the extent
31 required pursuant to section 2 of P.L.1968, c.385 (C.17:28-1.1).

32 c. Whenever a food delivery network company driver is
33 providing a prearranged food delivery, the food delivery network
34 company driver, food delivery network company, or any
35 combination of the two shall maintain the following insurance
36 coverage:

37 (1) primary automobile liability insurance in the amount of at
38 least \$1,500,000 for death, bodily injury, and property damage;

39 (2) primary automobile insurance for medical payments benefits
40 in an amount of at least \$10,000 per person per incident, which
41 shall only apply to and provide coverage for the benefit of the food
42 delivery network company driver; and

43 (3) uninsured and underinsured motorist coverage in an amount
44 of at least \$1,500,000.

45 d. If the insurance coverage maintained by a food delivery
46 network company driver pursuant to subsections b. and c. of this
47 section has lapsed or does not provide the required coverage,
48 insurance maintained by the food delivery network company shall

1 provide the coverage required by subsections b. and c. of this
2 section beginning with the first dollar of a claim and the food
3 delivery network company shall have the duty to defend the claim.

4 e. Coverage under an automobile insurance policy maintained
5 by the food delivery network company shall not be dependent upon
6 a private passenger automobile insurer first denying a claim nor
7 shall a private passenger automobile insurance policy be required to
8 first deny a claim.

9 f. Insurance coverage required by this section may be obtained
10 from an insurance company duly licensed to transact business under
11 the insurance laws of this State or by an eligible surplus lines
12 insurer under section 11 of P.L.1960, c.32 (C.17:22-6.45).

13 g. The coverage required pursuant to subsections b. and c. of
14 this section shall be deemed to meet the financial responsibility
15 requirements of the "Motor Vehicle Security-Responsibility Law,"
16 P.L.1952, c.173 (C.39:6-23 et seq.), P.L.1972, c.197 (C.39:6B-
17 1 et seq.), and P.L.1972, c.70 (C.39:6A-1 et seq.).

18 h. A food delivery network company driver shall carry proof of
19 insurance required pursuant to subsections b. and c. of this section
20 at all times while using a personal vehicle in connection with a food
21 delivery network company's digital network. In the event of an
22 accident, a food delivery network company driver shall, upon
23 request, provide insurance coverage information to the directly
24 interested parties, automobile insurers, and investigating law
25 enforcement officers. The insurance coverage information may be
26 displayed or provided in either paper or electronic form as provided
27 in R.S.39:3-29. A food delivery network company driver shall,
28 upon request, disclose to the directly interested parties, automobile
29 insurers, and investigating law enforcement officers whether the
30 driver was logged on to a digital network as a driver or whether the
31 driver was providing a prearranged food delivery at the time of the
32 accident.

33 i. If a food delivery network company's insurer makes a
34 payment for a claim for damage to a motor vehicle in which a
35 lienholder holds a security interest, then the food delivery network
36 company shall cause its insurer to issue the payment directly to the
37 business repairing the motor vehicle or jointly to the owner of the
38 motor vehicle and the primary lienholder on the covered motor
39 vehicle.

40 j. The limitation on lawsuit option set forth in subsection a. of
41 section 8 of P.L.1972, c.70 (C.39:6A-8) shall not be assertable by a
42 food delivery network company or a food delivery network
43 company driver in any action for damages arising from a
44 prearranged food delivery, or be asserted against any party not
45 receiving personal injury protection benefits in any action for
46 damages arising from a prearranged food delivery.

47 k. As used in this act:

1 "Food delivery network company" means a corporation,
2 partnership, sole proprietorship, or other entity that is registered as
3 a business in the State or operates in this State, and uses a digital
4 network to connect a food delivery network company customer to a
5 food delivery network company driver to provide for the
6 prearranged delivery of food.

7 "Food delivery network company customer" or "customer"
8 means a person who uses a food delivery network company's digital
9 network to connect with a food delivery network company driver to
10 receive a prearranged delivery of food from the driver using the
11 driver's personal vehicle.

12 "Food delivery network company driver" or "driver" means a
13 person who receives connections to potential customers and related
14 services from a food delivery network company in exchange for
15 payment of a fee to the food delivery network company, and uses a
16 personal vehicle to offer or provide a prearranged food delivery to a
17 customer upon connection through a digital network controlled by a
18 food delivery network company in return for compensation or
19 payment of a fee.

20 "Prearranged food delivery" means the delivery of prepared,
21 ready-to-serve food by a food delivery network company driver to a
22 food delivery network company customer, beginning when a driver
23 accepts a delivery requested by a customer through a digital
24 network controlled by a food delivery network company, continuing
25 while the driver transports the customer's requested food, and
26 ending upon delivery of the food. A prearranged food delivery
27 shall not include transportation provided using an autocab, taxi,
28 limousine, autobus, jitney, motor bus, or other for-hire vehicle.

29
30 2. A food delivery network company shall not permit a food
31 delivery network company driver to accept a request for a
32 prearranged food delivery on the food delivery network company's
33 digital network until the food delivery network company discloses
34 in writing to the driver:

35 a. the insurance coverage, including the types and limits of
36 coverage, that the food delivery network company provides while
37 the driver uses a personal vehicle in connection with a food delivery
38 network company's digital network; and

39 b. that the driver's own private passenger automobile insurance
40 policy, depending on the driver's private passenger automobile
41 insurance policy, may or may not provide any coverage while the
42 driver is logged on to the food delivery network company's digital
43 network as a driver and is available to receive requests for
44 prearranged food deliveries or is providing a prearranged food
45 delivery.

46
47 3. This act shall take effect on first day of the sixth month
48 following the date of enactment.

1 STATEMENT

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3 This bill requires food delivery network companies and food
4 delivery company network drivers to maintain certain levels of
5 automobile insurance. Pursuant to the bill, a “food delivery
6 network company” means a corporation, partnership, sole
7 proprietorship, or other entity that is registered as a business in the
8 State or operates in this State, and uses a digital network to connect
9 a food delivery network company customer to a food delivery
10 network company driver to provide for the prearranged delivery of
11 prepared, ready-to-serve food.

12 Under the bill, a food delivery network company driver, food
13 delivery network company, or any combination of the two is to
14 maintain primary automobile insurance that recognizes that the
15 driver is a food delivery network company driver, or otherwise uses
16 a personal vehicle to provide prearranged food delivery, and covers
17 the driver: while the driver is logged on to the food delivery
18 network company's digital network but is not providing a
19 prearranged food delivery; or while the driver is providing a
20 prearranged food delivery.

21 The bill provides that whenever a food delivery network
22 company driver is logged on to the food delivery network
23 company's digital network and is available to receive a prearranged
24 food delivery request, but is not providing a prearranged food
25 delivery, the food delivery network company driver, food delivery
26 network company, or any combination of the two is to maintain the
27 following insurance coverage:

28 (1) primary automobile liability insurance in the amount of at
29 least \$50,000 for death or bodily injury per person, \$100,000 for
30 death or bodily injury per incident, and \$25,000 for property
31 damage;

32 (2) primary personal injury protection benefits that provide
33 coverage amounts selected pursuant to section 4 of P.L.1972, c.70
34 (C.39:6A-4); and

35 (3) uninsured and underinsured motorist coverage to the extent
36 required pursuant to section 2 of P.L.1968, c.385 (C.17:28-1.1).

37 In addition, under the bill, whenever a food delivery network
38 company driver is providing a prearranged food delivery, the food
39 delivery network company driver, food delivery network company,
40 or any combination of the two is to maintain the following
41 insurance coverage:

42 (1) primary automobile liability insurance in the amount of at
43 least \$1,500,000 for death, bodily injury, and property damage;

44 (2) primary automobile insurance for medical payments benefits
45 in an amount of at least \$10,000 per person per incident, which
46 shall only apply to and provide coverage for the benefit of the food
47 delivery network company driver; and

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1 (3) uninsured and underinsured motorist coverage in an amount
2 of at least \$1,500,000.

3 The bill also provides that a food delivery network company is
4 not to permit a food delivery network company driver to accept a
5 request for a prearranged food delivery on the food delivery
6 network company's digital network until the food delivery network
7 company makes certain written disclosures to the driver.