

1 AN ACT relating to delivery services.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO
4 READ AS FOLLOWS:

5 *As used in Sections 1 to 4 of this Act:*

6 *(1) "Delivery available period" means the period when a delivery network driver:*

7 *(a) Is operating a personal vehicle;*

8 *(b) Has logged on to a digital network;*

9 *(c) Is eligible to receive requests to provide delivery services from a delivery*
10 *network company; and*

11 *(d) Is not:*

12 *1. Providing delivery services; or*

13 *2. Operating in the delivery service period;*

14 *(2) "Delivery network company" means a corporation, partnership, sole*
15 *proprietorship, or other entity that:*

16 *(a) Operates in this state; and*

17 *(b) Uses a digital network to connect a delivery network company customer to a*
18 *delivery network driver to provide delivery services;*

19 *(3) "Delivery network company customer" means a person who orders goods that*
20 *are delivered by a delivery network driver at the direction of the person;*

21 *(4) "Delivery network driver" means an individual who provides delivery services*
22 *through a digital network using a personal vehicle;*

23 *(5) "Delivery service period" means the period:*

24 *(a) Beginning when a delivery network driver starts operating a personal*
25 *vehicle en route to pick up goods for a delivery or series of deliveries as*
26 *documented via a digital network controlled by a delivery network company;*

27 *(b) Continuing while the delivery network driver transports the requested*

1 delivery or deliveries; and

2 (c) Ending upon delivery of the requested goods to:

3 1. The delivery network company customer or the last delivery network
4 company customer in a series of deliveries;

5 2. A location designated by the delivery network company customer or
6 the last location so designated in a series of deliveries; or

7 3. A location designated by the delivery network company, including for
8 purposes of returning the goods;

9 (6) "Delivery services":

10 (a) Means the fulfillment of delivery requests made by a delivery network
11 company customer through a digital network; and

12 (b) Includes:

13 1. The pickup of any goods that are delivered by a delivery network
14 driver; and

15 2. A series of deliveries to different:

16 a. Delivery network company customers; or

17 b. Locations at the direction of a delivery network company
18 customer;

19 (7) "Digital network" means any online-enabled application, software, website, or
20 system offered or utilized by a delivery network company that enables deliveries
21 with delivery network drivers; and

22 (8) "Personal vehicle" means a motor vehicle that is:

23 (a) Used by a delivery network driver to provide delivery services; and

24 (b) Owned, leased, or otherwise authorized for use by the delivery network
25 driver.

26 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO
27 READ AS FOLLOWS:

- 1 (1) A delivery network company shall ensure that, during the delivery available
2 period, if applicable, and delivery service period, primary motor vehicle liability
3 insurance coverage is in place that:
- 4 (a) Recognizes that the driver is a delivery network driver; or
5 (b) Does not exclude coverage for use of the motor vehicle to provide delivery
6 services.
- 7 (2) The delivery network driver, delivery network company, or any combination of
8 the two (2) shall maintain a motor vehicle liability insurance policy that provides
9 the coverage required under KRS 304.39-080 during the delivery available period
10 and delivery service period in amounts not less than:
- 11 (a) For bodily injury and property damage to third parties:
- 12 1. Fifty thousand dollars (\$50,000) or the amount required under KRS
13 304.39-110(1)(a)1., whichever is greater, for all damages arising out
14 of bodily injury sustained by any one (1) person as a result of any one
15 (1) accident;
- 16 2. One hundred thousand dollars (\$100,000) or the amount required
17 under KRS 304.39-110(1)(a)1., whichever is greater, for all damages
18 arising out of bodily injury sustained by all persons as a result of any
19 one (1) accident; and
- 20 3. Twenty-five thousand dollars (\$25,000) or the amount required under
21 KRS 304.39-110(1)(a)1., whichever is greater, for all damages arising
22 out of damage to or destruction of property as a result of any one (1)
23 accident; and
- 24 (b) For basic reparation benefits, the amount set forth in KRS 304.39-020(2).
- 25 (3) If the insurance coverage maintained by a delivery network driver in accordance
26 with subsections (1) and (2) of this section has lapsed or does not provide the
27 required coverage, insurance maintained by the delivery network company shall:

- 1 (a) Provide the coverage required by subsections (1) and (2) of this section
2 beginning with the first dollar of a claim; and
- 3 (b) Have the duty to defend a claim made under the coverage provided under
4 paragraph (a) of this subsection.
- 5 (4) Coverage under a motor vehicle liability insurance policy maintained by a
6 delivery network company shall not be dependent upon another motor vehicle
7 liability insurer first denying a claim nor shall another motor vehicle liability
8 insurance policy be required to first deny a claim.
- 9 (5) The insurance coverage required by this section may be obtained from:
- 10 (a) An insurer duly licensed or authorized to transact business under the
11 insurance laws of this state; or
- 12 (b) A surplus lines broker licensed under KRS 304.10-120.
- 13 (6) (a) A delivery network driver shall carry proof of the insurance required under
14 subsections (1) and (2) of this section at all times while using a personal
15 vehicle in connection with a digital network.
- 16 (b) In the event of an accident, a delivery network driver or delivery network
17 company shall, upon request, provide the following to directly interested
18 parties, motor vehicle liability insurers, claimants, claimants' counsel, and
19 investigating law enforcement officers:
- 20 1. Information about the insurance coverage maintained under
21 subsections (1) and (2) of this section; and
- 22 2. Whether the driver was operating during a delivery available period or
23 delivery service period at the time of the accident.
- 24 (c) Information about the insurance coverage maintained under subsections
25 (1) and (2) of this section may be displayed or provided in either paper or
26 electronic format as provided in KRS 304.39-117.
- 27 (7) In a claims coverage investigation:

- 1 (a) A delivery network company or its insurer shall:
- 2 1. Cooperate with all insurers that are involved with the claims coverage
- 3 investigation to facilitate the exchange of information; and
- 4 2. Immediately provide, upon request by directly interested parties,
- 5 claimants, claimants' counsel, or any insurer, the precise times that a
- 6 delivery network driver began and ended any delivery available
- 7 periods and delivery service periods on the delivery network company's
- 8 digital network in the twenty-four (24) hour period both immediately
- 9 preceding the accident and immediately following the accident; and
- 10 (b) Insurers potentially providing the coverage required under this section shall
- 11 disclose, upon request by any other insurer involved in the particular claim,
- 12 the applicable coverages, exclusions, and limits provided under any motor
- 13 vehicle liability insurance maintained to satisfy the requirements of this
- 14 section.
- 15 (8) The insurer or insurers of a delivery network company providing coverage under
- 16 subsections (1) and (2) of this section shall assume primary liability for a claim
- 17 if:
- 18 (a) A dispute exists as to when a delivery available period or delivery service
- 19 period began or ended; and
- 20 (b) The delivery network company does not have available, did not retain, or
- 21 fails to provide the information required under subsection (7)(a) of this
- 22 section.
- 23 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO
- 24 READ AS FOLLOWS:
- 25 A delivery network company shall not permit a delivery network driver to engage in
- 26 delivery services on the company's digital network until the company discloses in
- 27 writing to the driver:

1 (1) The insurance coverage, including the types of coverage and the limits for each
 2 coverage, that the company provides while the driver uses a personal vehicle in
 3 connection with the company's digital network; and

4 (2) That the driver's own motor vehicle liability insurance policy might not provide
 5 any coverage during a delivery available period, if applicable, or a delivery
 6 service period.

7 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO
 8 READ AS FOLLOWS:

9 (1) Nothing in Section 1, 2, or 3 of this Act shall be construed to:

10 (a) Invalidate or limit an exclusion contained in a motor vehicle liability
 11 insurance policy, including any policy in use or approved for use that
 12 excludes coverage for motor vehicles:

13 1. Used for delivery; or

14 2. For any business use; or

15 (b) Invalidate, limit, or restrict an insurer's ability under existing law to:

16 1. Underwrite any insurance policy; or

17 2. Cancel and nonrenew policies.

18 (2) (a) Nothing in Section 1, 2, or 3 of this Act limits the scope of federal or state
 19 law regarding the delivery or transport of goods.

20 (b) Deliveries made under Section 1, 2, or 3 of this Act that are subject to
 21 federal or state law regarding the delivery or transport of goods shall also
 22 comply with the requirements of those laws.

23 (c) In the event of a conflict between Section 1, 2, or 3 of this Act and another
 24 law dealing with the delivery or transport of goods, the other law prevails.

25 ➔SECTION 5. A NEW SECTION OF SUBTITLE 39 OF KRS CHAPTER 304
 26 IS CREATED TO READ AS FOLLOWS:

27 (1) As used in this section, the following have the same meaning as in Section 1 of

1 *this Act:*

2 *(a) "Delivery available period";*

3 *(b) "Delivery network driver"; and*

4 *(c) "Delivery service period."*

5 *(2) An authorized insurer that writes motor vehicle liability insurance in this state*
 6 *may exclude any and all coverage, and the duty to defend or indemnify, for any*
 7 *injury or loss that occurs during a delivery available period or delivery service*
 8 *period, including but not limited to:*

9 *(a) Security for payment of tort liabilities under KRS 304.39-110;*

10 *(b) Uninsured motorist coverage under KRS 304.20-020;*

11 *(c) Underinsured motorist coverage under KRS 304.39-320;*

12 *(d) Basic reparation benefits as defined in KRS 304.39-020;*

13 *(e) Medical payments coverage;*

14 *(f) Comprehensive property damage coverage; and*

15 *(g) Collision property damage coverage.*

16 *(3) A motor vehicle liability insurer that defends or indemnifies a claim against a*
 17 *delivery network driver shall have the right to seek recovery against the insurer*
 18 *providing coverage under subsections (1) and (2) of Section 2 of this Act if:*

19 *(a) The claim occurs during a delivery available period or delivery service*
 20 *period; and*

21 *(b) Coverage for the claim is excluded under the terms of the insurer's policy.*

22 ➔Section 6. This Act applies to motor vehicle liability insurance policies issued
 23 or renewed on or after January 1, 2025.

24 ➔Section 7. This Act takes effect January 1, 2025.