



Property & Casualty Insurance Committee
National Conference of Insurance Legislators
2317 Route 34 South
Manasquan, NJ 08736

RE: DoorDash Comments on a Potential Model Act Setting Forth Insurance Requirements for Food and Beverage Delivery Companies

Dear Chair Bowland, Vice Chair Sawyer, and Members of the Committee:

My name is Max Rettig, and I am the Head of Public Policy at DoorDash. DoorDash is a technology company that connects consumers with their favorite local and national businesses across the United States, Canada, Australia, Japan, and Germany. Founded in 2013, DoorDash enables local businesses to address consumers' expectations and thrive in today's convenience economy. By building the last-mile logistics infrastructure for local commerce, DoorDash is bringing communities closer, one doorstep at a time.

We appreciate the committee's interest in creating model legislation to guide states as they look to establish automobile insurance requirements for companies and drivers that facilitate delivery of goods. DoorDash is proud to already provide couriers who use our platform – known as Dashers – with automobile liability coverage when an incident occurs while on delivery. We also provide Dashers with occupational accident insurance to cover medical expenses and disability payments when they are injured on the job. These coverages are available automatically to Dashers with no deductibles, co-pays, or premium payments required.

We look forward to being an active and engaged stakeholder and offer the following initial comments for the committee's consideration as it begins to develop the content of model legislation in this area.

A Model Act Should Reflect the Unique Nature of Third Party Delivery Services

Transportation network companies (TNCs) and delivery network companies (DNCs) are sometimes subject to common regulations given that both provide app-based work opportunities and services. However, important differences between these models necessitate distinct policy recommendations with respect to insurance coverage.

No Passengers As Part of the Provision of Service

As is likely obvious to the committee, unlike a rideshare service, a third party delivery service does not transport passengers. Rather, a driver is typically transporting goods like prepared food and beverages from restaurants, grocery products, or retail and convenience items. As a result, many of the risks associated with rideshare services – namely the injury of passengers who have hired the driver for transportation services – are not present in the delivery context. A model act

covering DNCs should be responsive to this distinction. In particular, any requirements with respect to mandated underinsured and uninsured coverage, personal injury protection coverage, and medical payment coverage should not exceed state minimum coverages for motor vehicles.

Different Behavior in Online Time

We understand that Dashers and other app-based delivery drivers behave differently during online time than rideshare drivers. Specifically, while we understand that rideshare drivers often roam during online time looking for their next fare, the app-based delivery model encourages delivery drivers to travel less while not engaged in providing services. For example, Dashers often schedule their desired time to provide delivery services at a selected starting location. This reduces the need for Dashers to roam across various areas in search of delivery offers. Given these differences, we would urge the committee to consider whether it is necessary to mandate coverages for online time in a model act for delivery and, if so, make comparable revisions to the required coverages from those provided for in the model act covering TNCs.

A Model Act Should Reduce Barriers For Companies to Obtain Requisite Coverage

DoorDash appreciates the flexibility provided by the TNC model act to determine which party – whether the driver, the platform company, or both – should be responsible for providing the required coverage and would encourage the committee to extend that flexibility to a model act for delivery services. However, we recognize that dashing provides a low-barrier, supplemental work opportunity for many individuals and that obtaining increased coverage could present a significant barrier to accessing this work. Unlike rideshare drivers who are more likely to work full time providing transportation services, Dashers work on average fewer than 4 hours per week. In order to keep work opportunities accessible, it is critical for delivery platforms to be well positioned to take on the coverage responsibilities of any model act.

The committee should ensure that the model act is structured to mitigate challenges that companies may face in trying to provide this coverage for drivers. For example, the model act should not expressly require that the mandated coverage be primary. A primary auto insurance policy typically follows the vehicle owner, whether an individual with a personal vehicle or a company that owns a fleet of vehicles. In the case of a delivery platform, neither applies, thus creating a challenge to procure compliant coverage but without any additional benefit to the public.

A Model Act Should Broadly Apply to the Third Party Delivery Service Industry

Because of the popularity of those services, delivery platforms can sometimes be associated exclusively with businesses that both provide a marketplace for ordering food and beverages and facilitate their delivery. However, there is a wide range of models and services across the industry. For example, some platforms connect drivers with merchants to facilitate delivery but do not themselves accept customer orders. Additionally, the delivery of a wide range of goods – not just food and beverages – is facilitated by delivery platforms. We encourage the committee to ensure that any model act applies to all businesses and drivers engaged in providing app-based delivery services.

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We thank the committee for the opportunity to provide these comments on a potential model act setting forth insurance requirements for delivery platforms. DoorDash looks forward to working with the committee and other NCOIL members on this important issue moving forward.

Sincerely,

Max Rettig
Head of Public Policy

CC: Toney Anaya, Head of Government Relations
Jordan Bailey, Legislative Policy Advisor