

616 Fifth Avenue, Unit 106
Belmar, NJ 07719
732-201-4133
CHIEF EXECUTIVE OFFICER: Will Melofchik



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NATIONAL COUNCIL OF INSURANCE LEGISLATORS (NCOIL)

Model Act to Regulate Insurance Requirements for Transportation Network Companies and Transportation Network Drivers

***Adopted by the NCOIL Executive Committee on July 19, 2015. Sponsored by Rep. Michael Stinziano (OH); Re-adopted by the Property & Casualty Insurance Committee on September 24, 2020 and the Executive Committee on September 26, 2020. Re-adopted by the Property & Casualty Insurance Committee on July 19, 2025 and by the Executive Committee on July 19, 2025 until the 2025 November Annual Meeting. Re-adopted by the Property & Casualty Insurance Committee and Executive Committee on November 15, 2025 until the 2026 Spring Meeting. Re-adopted by the Property & Casualty Insurance Committee on April 18, 2026 and Executive Committee on April 19, 2026 until the 2026 Summer Meeting. Re-adopted by the Property & Casualty Insurance Committee and Executive Committee on July 18, 2026 until the 2026 Annual Meeting.**

****Proposed amendments sponsored by Sen. Walter Michel (MS).***

A. Definitions

1. "Personal Vehicle" means a vehicle that is:
 - a. used by a TNC driver to provide a prearranged ride;
 - b. owned, leased or otherwise authorized for use by the Transportation Network Company Driver; and
 - c. not a taxicab, limousine, or other for-hire vehicle
2. "Digital Network" means any online-enabled application, software, website or system offered or utilized by a Transportation Network Company that enables the prearrangement of rides with Transportation Network Company Drivers. A digital network is not a product under the laws of this State.
3. "Transportation Network Company (TNC)" means a corporation, partnership, sole proprietorship, or other entity that is licensed pursuant to this [Chapter/Title] and operating in [STATE] that uses a Digital Network to connect Transportation Network Company Riders to Transportation Network Company Drivers who provide Prearranged Rides. A Transportation Network Company shall not be deemed to control, direct or manage the Personal Vehicles or Transportation Network Company Drivers that connect to its Digital Network, except where agreed to by written contract.

4. "Transportation Network Company (TNC) Driver" or "driver" means an individual who:
- a. receives connections to potential riders and related services from a Transportation Network Company in exchange for payment of a fee to the Transportation Network Company; and
 - b. uses a Personal Vehicle to offer or provide a Prearranged Ride to TNC riders upon connection through a Digital Network controlled by a Transportation Network Company and under the license of the TNC ~~and~~ in exchange for compensation or payment of a fee
5. "Transportation Network Company (TNC) Rider" or "rider" means an individual or persons who use a Transportation Network Company's Digital Network to connect with a Transportation Network Driver who provides Prearranged Rides to the rider in the driver's Personal Vehicle between points chosen by the rider.
6. "Prearranged Ride" means the provision of transportation by a TNC driver to a TNC rider:
- a. beginning when a TNC driver accepts a TNC rider's request for a ride through a digital network controlled by a Transportation Network Company;
 - b. continuing while the TNC driver transports the requesting TNC rider; and
 - c. ending when the last requesting TNC rider departs from the Personal Vehicle
7. The term "prearranged ride" does not include transportation provided through any of the following [CITE DEFINITION IN STATE LAW OR MOTOR CARRIER ACT]:
- a. shared expense carpool or vanpool arrangements
 - b. use of a taxicab, limousine, or other hire vehicle
 - c. a regional transportation

B. Transportation Network Companies

1. A transportation network company may not operate without a permit issued under [CITE DEFINITION IN STATE LAW]. 69 a. A permit is valid for one (1) year after the date of issuance.
2. A TNC or a TNC driver is not:
- a. a common carrier;
 - b. a contract carrier; or
 - c. a motor carrier

3. The department shall issue a permit to a TNC that satisfies the following requirements:

- a. establishes a zero tolerance policy for drug and alcohol
- b. requires compliance with applicable vehicle requirements
- c. adopts nondiscrimination and accessibility policies
- d. establishes record maintenance guidelines

4. Before a TNC allows an individual to act as a TNC driver on the TNC's digital network, the TNC shall:

a. require the individual to submit to the TNC information ~~an application~~ that includes:

- i. the individual's name, address, and age;
- ii. the individual's driver's license;
- iii. the registration for the personal vehicle that the individual will use to provide prearranged rides;
- iv. proof of financial responsibility for the personal vehicle described in 4(a)(iii) above of a type and in the amounts required by the TNC; and
- v. any other information required by the TNC;

b. with respect to the individual, conduct, or contract with a third party to conduct:

- i. a local and national criminal background check; and
- ii. a search of the national sex offender registry; and
- iii. obtain a copy of the individual's driving record maintained under [CITE DEFINITION IN STATE LAW]

c. A TNC may not knowingly allow to act as a TNC driver on the TNC's digital network an individual:

i. who has received judgments for:

(1) more than three (3) moving traffic violations in the preceding three (3) years; or

(2) at least one (1) violation involving reckless driving or driving on a suspended or revoked license in the preceding three (3) years; or

ii. who has been convicted in the preceding seven (7) years of a:

(1) felony; or

(2) misdemeanor involving:

(a) resisting law enforcement;

(b) dishonesty;

(c) injury to a person;

(d) operating while intoxicated;

(e) operating a vehicle in a manner that endangers a person;

(f) operating a vehicle with a suspended or revoked license; or

(g) damage to the property of another person; or

iii. who is a match in the state or national sex offender registry;

iv. who is unable to provide information required under subsection (b)

5. A TNC shall establish and enforce a zero tolerance policy for drug and alcohol use by TNC drivers during any period when a TNC driver is engaged in, or is logged into the TNC's digital network but is not engaged in, a prearranged ride. The policy must include provisions for:

a. investigations of alleged policy violations; and

b. suspensions of TNC drivers under investigation

6. A TNC must require that a personal vehicle used to provide prearranged rides must comply with all applicable laws and regulations concerning vehicle equipment.

C. Financial Responsibility of Transportation Network Companies

1. The following additional definitions apply to this Section:

a. "Application-on stage" means the time period the driver is logged on to the digital network of a transportation network company and available to receive ride requests but is not engaged and there is no passenger on board.

b. "Engaged stage" means the time period from the moment a participating driver accepts a ride request on the digital network of a transportation network company until the passenger on-board stage begins or the ride request is canceled, whichever is sooner.

c. "Passenger on-board stage" means the time period when there is a passenger or passengers in the vehicle participating in a prearranged ride.

2. On or before [MONTH, DAY, YEAR] and thereafter, a Transportation Network Company Driver or Transportation Network Company on the driver's behalf shall maintain primary automobile insurance that:

b. Recognizes that the driver is a Transportation Network Company Driver or otherwise uses a vehicle to transport riders for compensation and covers the driver:

b. while the driver is logged on to the Transportation Network Company's Digital Network; or

b. while the driver is engaged in a Prearranged Ride

32. The following automobile insurance requirements shall apply during the application-on stage and during the engaged stage ~~while a participating Transportation Network Company Driver is logged on to the Transportation Network Company's Digital Network and is available to receive transportation requests but is not engaged in a Prearranged Ride:~~

a. Primary automobile liability insurance in the amount of at least \$50,000 for death and bodily injury per person, \$100,000 for death and bodily injury per incident, and \$25,000 for property damage.

[Drafting note: Reference by statute all other state mandated coverages for motor vehicles by state financial responsibility law, UM/UIM, Med Pay, NF and/or PIP.]

b. The coverage requirements of this subsection 2 may be satisfied by any of the following:

i. automobile insurance maintained by the Transportation Network Company Driver; or

ii. automobile insurance maintained by the Transportation Network Company; or

iii. any combination of subparagraphs (i) and (ii).

4.3. The following automobile insurance requirements shall apply during the passenger on-board stage ~~while a Transportation Network Company Driver is engaged in a Prearranged Ride:~~

a. Primary automobile liability insurance that provides at least \$1,000,000 for death, bodily injury and property damage;

[Drafting note: Reference by statute all other state mandated coverages for limousines, e.g., UM/ UIM, Med Pay, NF and/or PIP.]

b. The coverage requirements of this subsection 3 may be satisfied by any of the following:

i. automobile insurance maintained by the Transportation Network Company Driver; or

ii. automobile insurance maintained by the Transportation Network Company; or

iii. any combination of subparagraphs (i) and (ii)

4. If insurance maintained by driver in subsections 2 or 3 has lapsed or does not provide the required coverage, insurance maintained by a Transportation Network Company shall provide the coverage required by Section C beginning with the first dollar of a claim and have the duty to defend such claim.

5. Coverage under an automobile insurance policy maintained by the Transportation Network Company shall not be dependent on a personal automobile insurer first denying a claim nor shall a personal automobile insurance policy be required to first deny a claim.

6. Insurance required by this Section C may be placed with an insurer licensed under [CITE STATUTE], or with a surplus lines insurer eligible under [CITE STATUTE] that has a credit rating of no less than "A-" from A.M. Best or "A" from Demotech or similar rating from another rating agency recognized by the department of insurance.

7. Insurance satisfying the requirements of this Section C shall be deemed to satisfy the financial responsibility requirement for a motor vehicle under [STATE FINANCIAL RESPONSIBILITY STATUTE].

8. A Transportation Network Company Driver shall carry proof of coverage satisfying sections C.2 and C.3 with him or her at all times during his or her use of a vehicle in connection with a Transportation Network Company's Digital Network. In the event of an accident, a Transportation Network Company Driver shall provide this insurance coverage information to the directly interested parties, automobile insurers and investigating police officers, upon request pursuant to [INSERT ELECTRONIC ID CARD LAW OR CREATE SUCH LAW]. Upon such request, a Transportation Network Company Driver shall also disclose to directly interested parties, automobile insurers, and investigating police officers, whether he or she was logged on to the Transportation Network Company's Digital Network or on a Prearranged Ride at the time of an accident.

D. Disclosures

1. The Transportation Network Company shall disclose in writing to Transportation Network Company Drivers the following before they are allowed to accept a request for a Prearranged Ride on the Transportation Network Company's Digital Network:

a. the insurance coverage, including the types of coverage and the limits for each coverage, that the Transportation Network Company provides while the Transportation Network Company Driver uses a Personal Vehicle in connection with a Transportation Network Company's Digital Network; and

b. that the Transportation Network Company Driver's own automobile insurance policy might not provide any coverage while the driver is logged on to the

Transportation Network Company's Digital Network and is available to receive transportation requests or is engaged in a Prearranged Ride, depending on its terms.

[Drafting note: A state should consider appropriate lienholder language to coordinate with the state's existing law.]

E. Automobile Insurance Provisions

1. Insurers that write automobile insurance in [INSERT STATE] may exclude any and all coverage afforded under the policy issued to an owner or operator of a Personal Vehicle for any loss or injury that occurs while a Driver is logged on to a Transportation Network Company's Digital Network or while a Driver provides a Prearranged Ride. This right to exclude all coverage may apply to any coverage included in an automobile insurance policy including, but not limited to:

- a. liability coverage for bodily injury and property damage;
- b. personal injury protection coverage as defined in [CITE STATUTE];
- c. uninsured and underinsured motorist coverage;
- d. medical payments coverage;
- e. comprehensive physical damage coverage; and
- f. collision physical damage coverage

Such exclusions shall apply notwithstanding any requirement under [STATE FINANCIAL RESPONSIBILITY STATUTE]. Nothing in this section implies or requires that a personal automobile insurance policy provide coverage while the driver is logged on to the Transportation Network Company's Digital Network, while the driver is engaged in a Prearranged Ride or while the driver otherwise uses a vehicle to transport riders for compensation.

Nothing in this Article shall be construed as to require an insurer to use any particular policy language or reference to this section in order to exclude any and all coverage for any loss or injury that occurs while a driver is logged on to a Transportation Network Company's Digital Network or while a Driver provides a Prearranged Ride.

Nothing shall be deemed to preclude an insurer from providing primary or excess coverage for the Transportation Network Company Driver's vehicle, if it so chose to do so by contract or endorsement.

2. Automobile insurers that exclude the coverage described in Section C shall have no duty to defend or indemnify any claim expressly excluded thereunder. Nothing in this Article shall be deemed to invalidate or limit an exclusion contained in a policy including any policy in use or approved for use in [STATE] prior to the enactment of this Article that excludes coverage for vehicles used to carry persons or property for a charge or available for hire by the public.

An automobile insurer that defends or indemnifies a claim against a driver that is excluded under the terms of its policy, shall have a right of contribution against other insurers that provide automobile insurance to the same driver in satisfaction of the coverage requirements of Section C at the time of loss.

3. In a claims coverage investigation, Transportation Network Companies shall immediately provide upon request by directly involved parties or any insurer of the Transportation Network Company Driver if applicable, the precise times that a Transportation Network Company Driver logged on and off of the Transportation Network Company's Digital Network in the twelve-hour period immediately preceding and in the twelve-hour period immediately following the accident. Insurers potentially providing coverage as set forth in Section C shall disclose upon request by any other such insurer involved in the particular claim, the applicable coverages, exclusions and limits provided under any automobile insurance maintained in order to satisfy the requirements of Section C.

F. Independent Contractor Status

A Transportation Network Company Driver is an independent contractor and not an employee or agent with respect to the driver's status with a Transportation Network Company if all of the following conditions are met:

1. The TNC does not unilaterally prescribe specific dates, times of day, or a minimum number of hours during which the driver must be logged in to the TNC's digital network;
2. The TNC does not terminate the contract of the TNC Driver for refusal to accept a specific ride request except where refusal constitutes a violation of governing federal, state, or local laws or regulations;
3. The TNC does not restrict the driver from performing services through other Transportation Network Companies except during a prearranged ride; and
4. The TNC does not restrict the driver from working in any other lawful occupation or business.

G. Liability of Transportation Network Companies

A Transportation Network Company shall not be liable

- a. by reason of owning, operating, or maintaining a digital network accessed by a Transportation Network Company Driver,
- b. by being the Transportation Network Company affiliated with a Transportation Network Company Driver, or
- c. by virtue of any allegation that the Transportation Network Company owed common carrier, non-delegable, or similar duties

for harm to persons or property that results or arises out of the use, operation, or possession of a motor vehicle in connection with a digital network as long as there is no gross negligence under the statutes and regulations governing the Transportation Network Company and no

criminal wrongdoing under the State or Federal criminal code on the part of the Transportation Network Company that is the proximate cause of the harm to persons or property.