
Addendum: for use with Texas Property and Casualty online course and study guide, version number 27918en, per exam content outline updates effective 11/1/2023.

The following are content additions to supplement your existing text.

Texas Statutes and Rules Pertinent to Property and Casualty Insurance

D. Automobile Insurance

Transportation Network Company

A Transportation Network Company (TNC), such as Uber and Lyft, is a corporation, partnership, sole proprietorship or another entity operating in this state that uses a digital network to connect riders to company drivers who provide *prearranged rides*. A prearranged ride is the transportation of a rider by a driver, which begins when a driver accepts a ride requested by a rider through a digital network controlled by a TNC, continues during the ride, and ends when the last requesting rider exits the personal vehicle. A prearranged ride does not include:

- Shared expense carpool or vanpool arrangements provided by businesses that rent motor vehicles; or
- Taxi, limousine, or other for-hire vehicles.

The National Association of Insurance Commissioners divides TNC services into three exposure periods:

1. Waiting for a match (or pre-match);
2. Match accepted (driver is on the way to pick up the passenger); and
3. Passenger in the vehicle and until the passenger exits the vehicle.

Because drivers who contract with TNCs are using their personal vehicles, many of them do not have a livery driver's license, nor are their vehicles registered or insured as commercial vehicles. This is opposed to limousine or taxi drivers who drive commercial vehicles and have commercial insurance coverage. Personal auto policies do not generally provide coverage for ride sharing.



The driver or the TNC on the driver's behalf must maintain **primary automobile insurance** that recognizes that the driver is a TNC driver with minimum limits of **50/100/25** while the driver is logged into the TNC's digital network but not engaged in a prearranged ride:

- \$50,000 for death and bodily injury per person;
- \$100,000 for death and bodily injury per incident; and
- \$25,000 for property damage.

If a driver is engaged in a prearranged ride, the automobile liability insurance must provide at least \$1,000,000 of coverage for death, bodily injury, and property damage.

E. Workers Compensation

2. Coverage

Subrogation – *additions to the existing text*

If there is a likelihood that income benefits will be paid, the Commissioner may grant an employee suffering financial hardship **advances** against the amount of income benefits to which the employee may be entitled. An advance may be ordered before or after the employee attains maximum medical improvement. An insurance carrier must pay the advance ordered.

An advance **cannot exceed** an amount equal to **4 times the maximum weekly benefit** for temporary income benefits. Additionally, an employee cannot receive more than **3 advances** for the same injury. The Commissioner may not grant an advance to an employee who is receiving at least **90%** of the net preinjury wages.

3. Benefits

Impairment Income Benefits – *section expanded as follows:*

An employee is entitled to impairment income benefits beginning the day after they reach maximum medical improvement. The employee is entitled to benefits for a period based on the employee's impairment rating. These benefits will continue until either the expiration date of a period calculated at the rate of three weeks for each percentage point of impairment, or the date of the employee's death, whichever comes first.



An insurer must begin paying impairment income benefits no later than the **5th day** after receiving the doctor's report certifying maximum medical improvement.

If an insurer disputes the impairment rating, the insurer must still pay the employee impairment income benefits based on the reasonable assessment of the correct rating.

Lifetime Income Benefits – *expanded list and explanation*

These benefits Lifetime income benefits are paid until the employee's death for the following injuries to an employee:

- Total and permanent loss of sight in both eyes;
- Loss of both feet at or above the ankle;
- Loss of both hands at or above the wrist;
- Loss of one foot at or above the ankle and the loss of one hand at or above the wrist;
- Injury to the spine that results in permanent and complete paralysis of both arms, both legs, or one arm and one leg; or
- Traumatic injury to the brain that causes a permanent major neurocognitive disorder; or
- Third degree burns that cover at least 40% of the body and require grafting, or third degree burns that cover the majority of both hands, one hand and one foot, or one hand or one foot and face.

An insurer can provide lifetime income benefits through an annuity if the annuity agreement meets the terms and conditions set by the Commissioner. However, issuance of an annuity does not release the insurer of the liability to ensure that the lifetime income benefits are paid.

G. Texas Medical Liability Insurance Underwriting Association (TMLIUA) – *section replaces G. Joint Underwriting Association*

The **Texas Medical Liability Insurance Underwriting Association (TMLIUA)** is a voluntary, unincorporated association of admitted insurers authorized to write liability insurance, including automobile liability insurance on a direct basis in this state.



The purpose of the Association is to continue to provide a market for medical liability insurance on a self-supporting basis. Every insurer must be a member of the Association and must remain a member as a condition of its authority to continue to transact insurance in Texas.

The Association may do the following on behalf of its members:

- Issue medical liability insurance policies to applicants, including primary, excess, and incidental coverages;
- Underwrite insurance and pay related losses (or to appoint servicing insurers to perform those functions);
- Accept or refuse the assumption of reinsurance from its members; and
- Cede and purchase reinsurance.

Policies issued through the Association are effective for no more than **1 year**. The Association may not issue policies that provide coverage exceeding **\$1 million** for each occurrence or **\$3 million** in total for a year for individuals or organizations.