
Addendum: for use with Texas Personal Lines online course and study guide, version number 26837en, 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.