

TNC Status in New York

Transportation network companies (TNCs) were authorized to operate in New York State starting June 29, 2017. TNCs have been operating in New York City under the rules of the Taxi & Limo Commission and will continue to do so. Separate rules apply to TNCs operating outside of New York City.

E&O Tip

Insurance coverage for drivers participating in transportation network companies is still evolving. As such, there may not currently be a lot of options for coverage depending on what your carriers are offering. A commercial auto policy is certainly an option but the cost is often prohibitive for an individual. *Most importantly you need to impress upon your customers that there is a "public or livery conveyance" exclusion in the Personal Auto Policy (PAP) and some companies may not cover this type of activity unless endorsed.*

Exposure periods for TNC drivers:

Period 1	Pre-match: driver has logged in to app and is waiting for a pre-arranged ride
Period 2	Pre-arranged ride accepted and driver is going to pick up passenger
Period 3	Passenger occupying the vehicle to destination

Coverage Provided by the TNC

Under New York State statute and regulation, TNCs must provide coverage limits of \$75,000/\$150,000/\$25,000 for Period 1. This coverage is primary until January 1, 2019. The Department of Financial Services (DFS) mandated this by regulation to allow insurers time to file and receive DFS approval on exclusion and coverage endorsements. Once insurers have filed and received approval for coverage endorsements a driver may be able to purchase coverage by endorsement to his or her PAP equal to the limits on their policy.

TNCs provide coverage for Periods 2 & 3 at \$1.25 million CSL per New York statute. Coverage for Periods 2 & 3 will always be provided by the TNC and Phase 2 could also be provided by the PAP depending on what endorsements are filed by ISO and individual carriers.

In addition to the above liability limits, Uber and Lyft provide contingent comp and collision coverage for Periods 1, 2 & 3. The driver must have comp and collision on their PAP and the contingent comp and collision is subject to a deductible (\$1,000 for Uber, \$2,500 for Lyft)

Coverage Provided by the Personal Auto Policy

Period 1 can create a gap in coverage if the personal auto policy excludes coverage. Several carriers have introduced endorsements to cover this exposure, but not in all states. Check with your carriers to see if they have an appropriate endorsement.

ISO Response

ISO introduced several endorsements in other states to address Periods 1 & 2 as well as an endorsement to clarify **exclusion** of coverage. So far, ISO has not been successful in getting similar endorsements approved in New York. Endorsement PP 01 79 07 18 – Amendment of Policy Provisions-New York has been approved and is effective July 1, 2018. Among other things, PP 01 79 07 18 incorporates a TNC exclusion for Part A – Liability Coverage, Part B- Medical Payments Coverage, and Part D – Coverage for Damage to Your Auto. TNC exclusions were also added to the endorsements for SUM, UM and PIP that are also effective July 1, 2018.

Insurer Response

Carriers are beginning to introduce their own endorsements to clarify exclusions for this emerging risk exposure. Countrywide there are 21 insurers that offer some form of coverage for ridesharing exposures but it remains to be seen how many will offer coverage in New York. To date, we have not found any personal auto policy endorsements from independent agency carriers available in New York to provide coverage. We hope that the industry will respond soon and at least one IA carrier will step up with coverage options.