

# Transportation Network Company Automobile Insurance Requirements

By: Alex Reger, Principal Analyst  
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## Issue

Summarize Connecticut law's automobile insurance requirements for transportation network company drivers (e.g., Uber or Lyft).

## Summary

Although state law requires all drivers to maintain [minimum levels of liability insurance](#) (generally, \$25,000 per person and \$50,000 per accident for bodily injury and \$25,000 per accident for property damage), in practice drivers may need specific insurance to be covered while completing commercial activities, such as transportation network company (TNC) driving.

State law requires all TNC drivers to maintain, or the TNC to maintain on a driver's behalf (or a combination of the two), automobile liability insurance that (1) recognizes the driver is performing commercial TNC activities and (2) provides specified levels of minimum coverage. The minimum coverage depends on the TNC driver's activities (i.e., whether he or she is actively transporting someone or is only connected to the digital network and available to receive requests) ([CGS § 13b-120](#)). However, state law explicitly allows auto insurers to exclude TNC activities from general coverage, and these insurers have no responsibility to defend or pay any claim against a TNC driver who's policy expressly does so ([CGS § 13b-120\(g\) & \(h\)](#)).

Finally, state law imposes several other types of requirements on TNCs and their drivers unrelated to insurance, such as requiring (1) drivers to certify their car is safe and (2) TNCs to adopt policies prohibiting drug and alcohol use on the job ([CGS § 13b-119](#)).

## Insurance Disclosures

Before allowing a driver to accept any rider through the digital network, a TNC must disclose in writing to the driver:

1. the minimum insurance coverage the TNC provides;
2. a notification that the driver’s own auto insurance may not cover TNC activities; and
3. a notification that if the driver’s vehicle has a lien (e.g., there is a loan on the car), certain commercial activities might violate the terms of the loan or lease ([CGS § 13b-120\(i\)](#)).

## Minimum Insurance Coverage

TNC insurance coverage requirements vary based on a driver's activities, which are typically categorized into two periods:

1. when the driver has turned on the TNC mobile app but has not yet accepted a ride (“Period 1”); and
2. when the driver is “engaged in the provision of a prearranged ride,” which begins when a driver accepts a ride request and continues until a passenger has exited the vehicle ([CGS § 13b-120\(a\)](#)).

Table 1 below shows the minimum coverage requirements for each period.

**Table 1: TNC Insurance Coverage Requirements**

	Bodily Injury or Death per Person	Bodily Injury or Death per Accident	Property Damage	Uninsured and Underinsured Motorist*
<b>Period 1</b>	\$50,000	\$100,000	\$25,000	\$25,000 per person \$50,000 per accident
<b>Period 2</b>	\$1 million total per accident, for personal injury, death, and property damage			\$25,000 per person \$50,000 per accident

\*State law requires all motorists to maintain the same minimum level of uninsured and underinsured motorist coverage ([CGS §§ 38a-336 & 14-112](#))

By law, if the policy is maintained by the driver and it has lapsed, or if the driver's policy does not meet the minimum requirements described above, the TNC's insurance policy must provide first-dollar coverage (i.e., without a deductible) for a claim. Correspondingly, coverage under a TNC policy is not contingent on another insurer first denying the claim. Additionally, the TNC's insurer must defend claims that arise from any period described above ([CGS § 13b-120\(c\) & \(d\)](#)).

The law allows TNCs to get coverage from any insurer authorized to do business in Connecticut, or from certain highly rated surplus lines insurers ([CGS § 13b-120\(e\)](#)).

## **Insurance Requirements Following an Accident**

TNC drivers are required to carry proof of insurance when they are connected to the TNC digital network or providing a ride. Correspondingly, the TNC must provide this proof to all of its drivers it covers under its policy.

After an accident, the law requires TNC drivers to provide proof of insurance to any interested parties, including investigating police officers and insurers. TNC drivers must also disclose certain information to these parties upon request, including whether he or she was connected to the digital network (i.e., app) or providing a ride at the time of the accident. If there is a claims coverage investigation, upon request from a directly involved party or the driver's insurance company, the TNC must immediately provide the precise times the driver was connected to the app in the 12 hours immediately before and after the accident ([CGS § 13b-120\(f\)](#)).

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