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Contact: Eric Cioppa, Superintendent

August 11, 2015

Judi Watters, Consumer Outreach Specialist

PHONE: (207) 624-8445

TTY: Please Call Maine Relay 711

Insurance Superintendent Highlights New Law to Protect Transportation Network Company Drivers, Passengers and Others Using Roadways in Maine

TNC Drivers Encouraged to Learn about and Comply with Law to Protect Themselves Legally and Financially

GARDINER - Insurance Superintendent Eric Cioppa is highlighting a new Maine law, the *Transportation Network Company Insurance Act*, and emphasizing that it will help to protect passengers, pedestrians and other motorists from losses in accidents involving Transportation Network Company (TNC) drivers. The legislation (LD 1379) became law June 30th, as part of Public Law 2015 Chapter 279. One TNC, Uber, began operating in southern Maine last year.

“Carrying passengers for a fee is commercial activity, and most personal automobile insurance policies do not cover commercial activities,” Superintendent Cioppa said. “The new law addresses this gap and specifies the coverage requirements from the time a TNC driver logs into the company’s digital network and while a passenger is in the vehicle.”

The new law requires:

- \$1,000,000 minimum in bodily injury, death, and property damage coverage while “engaged in a prearranged ride.”
- a minimum of \$50,000 per person and \$100,000 per incident for bodily injury and death, and \$25,000 for property damage while a driver is logged into the TNC’s digital network *but there is no passenger in the car.*
- at least \$2,000 medical payments coverage at all times.

TNC drivers should keep in mind that these coverages are liability coverages. They do not cover damage to a driver's vehicle or the driver's personal injury or death. TNC drivers and those thinking of becoming TNC drivers should also consider these points:

- These mandatory coverages can be provided by the TNC, the driver, or a combination. Drivers need to read their TNC contract carefully to determine who is providing the required coverage.
- Insurance companies providing *personal* auto insurance in Maine may exclude coverage for losses incurred when a driver uses his or her vehicle for income-related purposes. The new law reiterates this right. TNC drivers will have to know if this coverage is available through the TNC or their own personal automobile policy. If not, drivers should ask their personal auto insurer if TNC coverage is available by endorsement. Otherwise, drivers need to purchase their own *commercial* auto insurance in order to comply with the law.
- Most vehicle loan agreements do not allow borrowers to transport passengers or goods for hire. Violations may lead to default under a vehicle loan even if the loan payments are up-to-date.

“A driver for a TNC who does not have the proper coverage is at considerable personal risk,” Cioppa stated. “Anyone driving for Uber or a similar company in Maine, or considering doing so, should contact his or her insurance agent or company to understand what is required to comply with Maine's financial responsibility law.”

Individuals are welcome to call the Property and Casualty Division of the Maine Bureau of Insurance at 800-300-5000 with questions about the new law and their existing policies. Individuals with questions about obtaining a permit to drive for a TNC should contact the Secretary of State's Office at 207-626-8400.

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