



# Insurance Overview

1. State Regulation of Transportation Network Companies
2. TNCs and Occupational Accident Insurance
3. Key Differences from Workers' Compensation Insurance
4. Examples
5. Questions?

# Complex coverage and liability rules

Workers'  
Compensation

Company's Auto  
Insurance Policy



Personal Auto

Occupational  
Accident  
Insurance

Health  
Insurance

# State Regulation of Transportation Network Companies

- Vast majority of states have comprehensive regulatory schemes governing TNC's operations.
- Regulatory schemes typically include:
  - Driver requirements (age/driving experience)
  - Driver background check requirements
  - Vehicle requirements
  - Applicable taxes and fees and/or licensing/permitting
  - Preemption in some manner of other local ordinances applicable to TNC
- Minnesota is one of three states that only regulates the auto insurance requirements of TNCs.

# Workers' Compensation Insurance

- A no-fault system to provide benefits to employees who are injured because of their employment activities.
- Covers wage loss, medical, and vocational rehabilitation.
- The program is overseen and administered by the Minnesota Department of Labor; Commerce oversees insurance companies and other entities providing workers' compensation insurance.

# Occupational Accident Insurance

- Occupational Accident Insurance (OAI) typically includes coverage and benefits associated with workers' compensation insurance including medical, wage replacement and death benefits.
- OAI is typically regulated in other states as a blanket accident and sickness policy because TNC drivers do not qualify as groups or associations under state insurance laws.
- Only California currently requires TNCs to provide OAI for its drivers.

# Key Differences--Benefits

## Occupational Accident Insurance

- Typically have a total benefit cap, a cap on medical expenses, and a cap on wage replacement
- May not provide compensation for permanent impairment or consideration for vocational rehabilitation
- Often excludes certain kinds of injuries/illnesses

## Workers' Compensation Insurance

- Typically has no cap for medical benefits (MN law covers reasonable and necessary medical care)
- Typically provides for compensation for permanent impairment and coverage for vocational rehabilitation
- Can include any condition caused, aggravated, or accelerated by employment activities; dependent on demonstration that employment activities were a substantial contributing factor to the disability and/or need of medical care

# Key Differences--Costs and Administration

## Occupational Accident Insurance

- Costs are typically borne by driver and/or passengers
- Drivers typically pay the premiums to obtain coverage
- Coverage is variable and dependent on coverage selection of whomever purchase the policy
- Disputes regarding coverage must be litigated

## Workers' Compensation Insurance

- Costs borne by employer
- Premiums and other related costs are handled and paid for by employers
- Coverage requirements defined by law
- Typically follows an administrative hearing process for disputed claims



# What happens if...

## ...you are in a fender bender while driving for a TNC?



- *Who pays for damage to your car? Damage to the other driver's car?*
  - Company policy is primary (contingent on maintaining personal policy).
  - TNC may pay for injury and property damage expenses that occur when you are deemed at-fault in an accident.
    - When not engaged in a prearranged ride (P1): Minimum required coverage is \$50,000 (injuries to one person), \$100,000 (injuries to 2+ persons) and \$30,000 for physical damage to other vehicle or property.
    - When engaged in a prearranged ride (P2/P3): Minimum required coverage is \$1.5 million for death, injury, or destruction of property of others.
  - Some personal auto insurance policies exclude coverage for losses or injuries that occur while a driver is logged on to a TNC digital network or while a driver provides a prearranged ride.
  - Deductibles may still apply.

# What happens if..., cont.

## ***What happens if you or others are hurt?***

- Auto insurance provided to by your TNC may pay you and members of your household, within the stated policy limits, for medical expenses, lost wages, and replacement services (personal injury protection coverage or PIP); the PIP portion of your auto insurance policy (if you purchase an endorsement for TNC activities) may provide additional coverage.
- Personal injury protection (PIP) pays costs no matter who is at fault. It does not pay for property damage to your vehicle.
- When logged on to the TNC network or engaged in a prearranged ride: Minimum required coverage is \$40,000. That amount is available to each person injured in an accident; \$20,000 is allowed for medical expenses and \$20,000 may be used for non-medical expenses. Coverage beyond these minimum amounts may be purchased.
- Health insurance may cover bills above PIP limits.
- Deductibles and other cost-sharing may apply depending on policy.

## ***What if you are injured in an accident while driving to a meeting (work related duty) from your desk job?***

- Employers are generally responsible for costs.
- Your injuries may be covered by workers' compensation and/or the other driver's insurance if the driver is at-fault.

# Questions?