



## Drivers Warned to Check Insurance Coverage Before Transporting Passengers for Hire

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LANSING -- With the recent rise in popularity of Transportation Network Companies (TNC) in Michigan, the Department of Insurance and Financial Services (DIFS) is reminding drivers to double-check their auto insurance policies before signing up as a TNC driver.

For a fee, a TNC connects passengers with drivers through an online application, usually through a mobile phone. While some TNCs may purchase limited coverage for their network of drivers, the insurance may not cover injuries or vehicle damage in the case of an accident.

“Technological advances and entrepreneurial innovations have created an opportunity for drivers to earn additional income using their personal vehicles,” said DIFS Director Ann Flood.

“Before participating in these arrangements drivers should research their current auto insurance policies to ensure that they are protected if an accident occurs while performing the service.”

Most individual insurance policies purchased for personal vehicles have exceptions that exclude coverage for commercial-type activities such as transporting passengers for hire. Drivers should contact their insurance agent to determine if their policy provides sufficient coverage before driving for a TNC. It may be necessary to purchase a commercial policy to cover TNC activities.

Traditional car-pooling or ride sharing arrangements in which friends, neighbors, or co-workers share driving duties and the cost of gasoline are not considered commercial-type activities and are typically covered by individual insurance policies.

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