

**LIMOUSINE, TAXICAB, AND TRANSPORTATION NETWORK COMPANY ACT (EXCERPT)**  
**Act 345 of 2016**

**257.2123 Transportation network company driver or transportation network company on driver's behalf; automobile insurance.**

Sec. 23.

(1) Beginning on the effective date of this act, a transportation network company driver, or a transportation network company on a transportation network company driver's behalf, shall maintain primary automobile insurance on a personal vehicle that recognizes that the transportation network company driver uses the vehicle as a transportation network company driver or otherwise uses a vehicle to transport passengers for compensation and covers the transportation network company driver while he or she is logged on to the transportation network company's digital network or while he or she is engaged in a transportation network company prearranged ride.

(2) During the time that a transportation network company driver is logged on to the transportation network company's digital network and is available to receive transportation requests but is not engaged in a transportation network company prearranged ride, all of the following types of automobile insurance are required:

(a) Residual third party automobile liability insurance as required under section 3101 of the insurance code of 1956, 1956 PA 218, MCL 500.3101, in the amount of at least \$50,000.00 per person for death or bodily injury, \$100,000.00 per incident for death or bodily injury, and \$25,000.00 for property damage.

(b) Personal protection insurance and property protection insurance in the amounts and of the types of coverage required by chapter 31 of the insurance code of 1956, 1956 PA 218, MCL 500.3101 to 500.3179.

(3) During the time that a transportation network company driver is engaged in a transportation network company prearranged ride, all of the following types of automobile insurance are required:

(a) Residual third party automobile liability insurance with a minimum combined single limit of \$1,000,000.00 for all bodily injury or property damage.

(b) Personal protection insurance and property protection insurance in the amounts and of the types of coverage required by chapter 31 of the insurance code of 1956, 1956 PA 218, MCL 500.3101 to 500.3179.

(4) The requirements of subsections (2) and (3) may be satisfied by automobile insurance maintained by a transportation network company driver or a transportation network company, or a combination of both.

(5) If the insurance required by subsection (2) or (3) lapses or does not provide the required coverage, insurance maintained by a transportation network company shall provide the coverage required by this section, beginning with the first \$1.00 of a claim, and the transportation network company's insurer shall defend the claim.

(6) Coverage provided under an automobile insurance policy maintained by a transportation network company shall not be dependent upon a personal automobile insurer denying the claim first and shall not require a personal automobile insurer to deny the claim first.

(7) All of the following apply to the automobile insurance described in subsections (2) and (3):

(a) It may be placed with an insurer licensed under chapter 4 of the insurance code of 1956, 1956 PA 218, MCL 500.402 to 500.480, or, if the insurance is maintained by a transportation network company, an eligible unauthorized insurer under chapter 19 of the insurance code of 1956, 1956 PA 218, MCL 500.1901 to 500.1955.

(b) The insurance policy satisfies the financial responsibility requirements described in chapter V of the Michigan vehicle code, 1949 PA 300, MCL 257.501 to 257.532.

(8) A transportation network company driver shall carry proof of the insurance required under subsections (2) and (3) with him or her at all times during his or her use of a personal vehicle in connection with a transportation network company's digital network. The transportation network company driver may provide proof of insurance by a paper or electronic copy of the certificate of insurance. If an accident occurs during the time that a transportation network company driver is using a personal vehicle in connection with a transportation network company's digital network, he or she shall provide all of the following information upon request to directly interested parties, automobile insurers, and investigating law enforcement officers as required under section 328 of the Michigan vehicle code, 1949 PA 300, MCL 257.328:

(a) Insurance coverage information.

(b) Whether he or she was logged on to the transportation network company's digital network or on a transportation network company prearranged ride at the time of the accident.

(9) If a transportation network company's insurer makes a payment for a claim covered under comprehensive coverage or collision coverage, the transportation network company's insurer shall issue the payment directly to the business repairing the vehicle or jointly to the owner of the vehicle and the primary lienholder on the vehicle.

(10) A transportation network company shall disclose all of the following information in writing to a transportation network company driver before that transportation network company driver may accept a request for a transportation network company prearranged ride on that transportation network company's digital network:

(a) The insurance coverage, including the types of coverage and limits for each type of coverage, that the

transportation network company provides while the transportation network company driver uses a personal vehicle in connection with the transportation network company's digital network.

(b) That, depending on the terms of the policy, the transportation network company driver's personal automobile insurance policy might not provide coverage while the transportation network company driver is logged on to the transportation network company's digital network or is engaged in a prearranged ride.

**History:** 2016, Act 345, Eff. Mar. 21, 2017