

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: CS/SB 1206

INTRODUCER: Banking and Insurance Committee and Senator DiCeglie

SUBJECT: Transportation Network Company Driver Insurance

DATE: April 1, 2025

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------|----------------|-----------|--------|
| 1. | Moody | Knudson | BI | Fav/CS |
| 2. | | | TR | |
| 3. | | | RC | |

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1206 reduces the insurance requirement that applies when a transportation network company driver is engaged in a prearranged ride, but the rider is not in the vehicle. Current coverage required during the entire prearranged ride is \$1 million, per accident for death, bodily injury, and property damage. The bill modifies this requirement for the portion of a prearranged ride in which the rider does not occupy the vehicle to \$50,000 for bodily injury or death per person, \$100,000 for bodily injury or death per incident, and \$25,000 for property damage. This coverage is the same insurance obligation that applies when a TNC driver is logged on to the application but is waiting to be connected to a rider for a prearranged ride.

The insurance requirement for when a TNC driver is engaged in a prearranged ride and the rider is in the vehicle is unchanged at \$1 million, per accident for death, bodily injury, and property damage.

The bill requires the TNC to maintain the required insurance coverage unless the TNC driver maintains a policy that does not exclude the required insurance coverage, rather than requiring the TNC to maintain such coverage only if the TNC driver does not maintain the required coverage.

The bill is effective July 1, 2025.

II. Present Situation:

Transportation Network Companies (TNCs)

Transportation network companies (TNCs) are businesses that use a digital network to connect riders with drivers who provide prearranged rides.¹ Examples of TNCs include Uber and Lyft. Chapter 627.748, F.S., governs the operation of TNCs, including their insurance coverage requirements.

A “TNC vehicle” is defined as a vehicle that is used by a TNC driver to offer or provide a prearranged ride and is owned, leased, or otherwise authorized to be used by the TNC driver. A vehicle that is let or rented to another for consideration may be used as a TNC vehicle. A taxicab or jitney is not a TNC vehicle.²

Statute also defines the term “prearranged ride” as the provision of transportation by a TNC driver to a rider, beginning when a TNC driver accepts a ride requested by a rider through a digital network³ controlled by a TNC, continuing while the TNC driver transports the requesting rider, and ending when the last requesting rider departs from the TNC vehicle. The term does not include a taxicab, for-hire vehicle, or street hail⁴ service and does not include ridesharing,⁵ carpool,⁶ or any other type of service in which the driver receives a fee that does not exceed the driver's cost to provide the ride.⁷

TNC Coverage Requirements

Current law requires a TNC driver, or a TNC on behalf of the TNC driver, to maintain auto insurance that recognizes the TNC driver as a TNC driver or an individual who uses the vehicle to transport riders for compensation and covers the TNC driver while the TNC driver is logged on to the digital network or engaged in a prearranged ride.⁸ Different insurance requirements apply for these two scenarios. The required coverage is significantly higher for TNC drivers engaged in a prearranged ride.

¹ Section 627.748(1)(e), F.S.

² Section 627.748(1)(h), F.S.

³ “Digital network” is defined as any online-enabled technology application service, website, or system offered or used by a TNC which enables the prearrangement of riders with TNC drivers. Section 627.748(1)(a), F.S.

⁴ “Street hail” is defined as an immediate arrangement on a street with a driver by a person using any method other than a digital network to seek immediate transportation. Section 627.748(1)(d), F.S.

⁵ Section 341.031(9)(a), F.S., defines “ridesharing” as an arrangement between persons with a common destination, or destinations, within the same proximity, to share the use of a motor vehicle on a recurring basis for round-trip transportation to and from their place of employment or other common destination. For purposes of ridesharing, employment shall be deemed to commence when an employee arrives at the employer's place of employment to report for work and shall be deemed to terminate when the employee leaves the employer's place of employment, excluding areas not under the control of the employer. However, an employee shall be deemed to be within the course of employment when the employee is engaged in the performance of duties assigned or directed by the employer, or acting in the furtherance of the business of the employer, irrespective of location.

⁶ Section 450.28(3), F.S., defines “carpool” as an arrangement made by the workers using one worker's own vehicle for transportation to and from work and for which the driver or owner of the vehicle is not paid by any third person other than the members of the carpool.

⁷ Section 627.748(1)(b), F.S.

⁸ Section 627.748(7)(a), F.S.

The following coverage requirements apply while a TNC driver is logged on to the digital network but not engaged in a prearranged ride:⁹

- Primary automobile liability coverage of at least \$50,000 for death and bodily injury per person, \$100,000 for death and bodily injury per incident, and \$25,000 for property damage.
- Personal injury protection benefits that meet the minimum coverage amounts required under sections 627.730-627.7405, F.S.¹⁰
- Uninsured and underinsured vehicle coverage as required by section 627.727, F.S.¹¹

Current law applies the following coverage requirements while a TNC driver is engaged in a prearranged ride, both when connected to a rider but the rider is not yet in the vehicle and when the rider is in the vehicle:¹²

- A primary automobile liability coverage of at least \$1 million for death, bodily injury, and property damage.
- Personal injury protection meeting the minimum coverage amounts required for a limousine under 627.730-627.7405, F.S.
- Uninsured and underinsured vehicle coverage as required by section 627.727, F.S.

Current law provides if the TNC driver's insurance has lapsed or does not provide the required coverage, the TNC must maintain insurance that provides the required coverage and has a duty to defend such claim.¹³

III. Effect of Proposed Changes:

Section 1 of the bill lowers minimum coverage requirements currently applicable to TNC drivers who are logged onto the digital network but do not have a rider in their vehicle. In other words, the TNC driver is connected to the application for a ride and the TNC driver is en route to the rider's location.

Current coverage required is \$1 million, per accident for death, bodily injury, and property damage, regardless of whether a rider is occupying the vehicle. The bill reduces this requirement to \$50,000 for bodily injury or death per person, \$100,000 for bodily injury or death per incident, and \$25,000 for property damage. This coverage is the same insurance obligation that applies when a TNC driver is logged on to the application but is waiting to be connected to a rider for a prearranged ride.

The minimum coverage required for TNC drivers engaged in a prearranged ride with a rider in their vehicle remains unchanged.

Rather than require the TNC to maintain the required insurance coverage only if the TNC driver does not provide the coverage, the bill shifts the burden and requires the TNC to maintain the

⁹ Section 627.748(7)(b), F.S.

¹⁰ Sections 627.730-627.7405, F.S., are the "Florida Motor Vehicle No-Fault Law." The law requires Florida motor vehicle owners to maintain Personal Injury Protection (PIP) insurance coverage.

¹¹ Section 627.727, F.S., provides uninsured and underinsured vehicle coverage requirements for all motor vehicle liability policies issued in Florida.

¹² Section 627.748(7)(c), F.S.

¹³ Section 627.748(7)(d), F.S.

required coverage unless the TNC driver maintains a policy that does not exclude the required coverage. The bill maintains current law that requires the TNC to provide the required insurance coverage if the TNC driver's insurance lapses.

Section 2 of the bill provides an effective date of July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

TNC networks may pay reduced insurance premiums, which may possibly be passed onto consumers or to the compensation received by TNC drivers.

Persons that incur bodily injuries or property damage caused by an at-fault TNC driver who is on the way to pick up a rider will have reduced ability to receive compensation for their damages.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

In describing the insurance coverage that must be maintained by the TNC unless the driver maintains coverage that does not exclude the required insurance coverage, the bill should include “TNC” before the word “driver” at line 64 because “TNC driver” is the term that is defined in s. 627.748, F.S.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 627.748.

IX. Additional Information:

- A. **Committee Substitute – Statement of Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Banking and Insurance Committee on March 31, 2025:

- Clarifies that the TNC is responsible for providing the coverage for all three stages unless the coverage of any stage is not excluded from the TNC driver’s policy.

- B. **Amendments:**

None.