Massachusetts Division of Insurance Annual Report Concerning Coverage Minimums for Transportation Network Vehicles For Calendar Year 2025

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Background & Scope

As required by M.G.L. c. 175, § 228(i), the Division of Insurance reports on liability insurance coverage and Transportation Network Companies. The scope of the Division's annual report is as follows:

1. Whether the existing insurance coverage requirements during Period 1 provide adequate protection for riders, transportation network drivers and the public based on actuarial data;
2. Whether it is presently feasible for a transportation network company to obtain an insurance policy providing coverage of $1,000,000 per occurrence, per vehicle during Period 1;
3. If such a policy is available, whether the coverage minimums should be raised so that all transportation network vehicles carry $1,000,000 of coverage per occurrence, per vehicle, at all times while operating as a transportation network company;
4. Whether a strategy can be developed to raise the coverage requirements during Period 1 through the use of admitted motor vehicle insurance carriers, the surplus lines market and technological innovations in the insurance industry such as the use of telematics to improve risk assessment; and
5. Any recommended action by the Division, the TNCD, the Legislature or other government entity that would encourage the insurance market to provide policies with higher insurance limits while transportation network companies are not engaged in a pre-arranged ride.

Current Coverage Requirements

TNCs are required to carry higher minimum compulsory coverage requirements than private passenger motor vehicles in the Commonwealth.

Period 1 Insurance Requirements

The minimum liability insurance coverage requirements during Period 1 are set forth in the table below.

Period 1

Coverage Type	Minimum
Liability for Bodily Injury to Others	$50,000 per person $100,000 per accident
Liability for Damage to Someone Else's Property	$30,000 per accident
Personal Injury Protection	$8,000 per person, per accident
Bodily Injury Caused by Uninsured Auto	M.G.L. c. 175, § 113L

Massachusetts Period 1 minimum liability insurance requirements are similar to minimum requirements in other northeastern states.

Period 2 and 3 Insurance Requirements

Data collected by the TNCD shows the number of TNC rides originating in Massachusetts, the average trip length (miles), the average trip time (minutes), and the average trip speed (MPH) many rides TNCs arranged in Massachusetts. The ride volume reflects the liability exposure of vehicles used to provide TNC services during periods 2 & 3 as the TNC driver is either on the way to pick up a rider or has a rider in the vehicle.

M.G.L. c. 175, § 228(d) likewise sets minimum liability insurance coverage requirements from the time when a transportation network driver receives a transportation request from a TNC until that transportation request is completed.

Periods 2&3

Coverage Type	Minimum
Liability for Bodily Injury to Others and Damage to Someone Else's Property	$1,000,000 per occurrence
Personal Injury Protection	$8,000 per person, per accident
Bodily Injury Caused by Uninsured Auto	M.G.L. c. 175, § 113L

Massachusetts Period 2 and 3 minimum liability insurance requirements are similar to minimum requirements in other northeastern states except for New Hampshire which has a lower requirement.

Feasibility of Obtaining Coverage during Period One

M.G.L. c. 175, § 228 permits minimum liability insurance requirements to be satisfied by the TNC, the driver of the vehicle providing transportation services, or a combination of the two. While the law permits that coverage during a TNC period may be provided by either the TNC or by the driver's personal auto policy, it is important to note that most standard private passenger personal automobile insurance excludes coverage when a motor vehicle is used for commercial purposes.

Liability Insurance Provided by TNCs

Insurance provided by a TNC is obtained through commercial insurance policies.

Commercial insurers that provide automobile liability insurance coverage on behalf of TNCs must address coverage needs for the driver in Periods 1, 2 and 3.[1]

Commercial insurers that write auto policies for TNC's are required to investigate and defend any claim for automobile accident injuries that occur. Coverage under a TNC liability policy is not dependent on whether a driver's personal automobile insurer first denies a claim, and a TNC liability insurance policy may not require that a personal automobile insurer deny the claim before

[1] M.G.L. c. 159A½, sections 5(a) and 5(b).

coverage becomes available under the TNC liability policy as there is typically no coverage under a PPA policy for losses occurring while the vehicle is being used for business.[2] A TNC is liable for injuries and damage during Period 1 if insurance coverage is not available under the vehicle's personal automobile liability policy.

Liability Insurance Provided by the Driver

Individuals who own vehicles for their personal use insure them through a personal automobile insurance policy. M.G.L. c. 175, § 228(h) allows personal automobile insurers to exclude coverage under their policies for accidents that occur while the vehicle is being used as a TNC in any period. The law does allow insurers to extend coverage under a personal automobile policy to cover the cost of accidents that arise while the vehicle is used to provide transportation services for a TNC. This is commonly done via an endorsement added to the policy.

According to the Division's review of filings, sixteen personal automobile insurers issue extension coverage under a personal automobile policy for a vehicle owner's TNC exposure during Period 1.

Raising Coverage Requirements during Period One/ Raising Coverage Requirements for All Periods

The liability exposure of Period 1 does not include the risk of injury to passengers being transported for hire. As a result, there are two indicators that can be considered to assess whether the Period 1 minimum liability insurance requirements are sufficient to compensate for bodily injury or property damage to others:

1. Average size of claim under standard personal automobile liability insurance policies
2. Massachusetts court cases regarding motor vehicle accidents that involve a personal vehicle providing transportation services for a TNC during Period 1.

1. Average size of a claim under standard personal automobile liability insurance policies

Since the liability of a TNC driver during Period 1 is essentially the same as if the car were being driven strictly for personal use, it is reasonable to consider statistics reported by insurers for standard personal automobile policies to determine whether the Period 1 minimum coverage requirements are adequate.

Minimum Bodily Injury Liability Limit

The Division reviewed the average per person bodily injury losses recorded under Massachusetts personal automobile policies for accidents that occurred in 2023.[3] Limits of bodily injury liability coverage under a personal automobile insurance policy typically ranges from a low of

[2] M.G.L. c. 175, § 228 (e) & (f)

[3] Statistics provided by the Automobile Insurers Bureau of Massachusetts are not complete as of publication. Reserves for 2023 accidents are current as of December 31, 2024. Since case reserves for bodily injury claims that occurred in 2024 are still being developed by insurers, they were not evaluated by the Division for this report.

25/50 to a high of 250/500. To ensure that the limit of liability does not "cap" the true loss, the Division's review focused on losses made against vehicles with bodily injury liability limits of 100/300 or 250/500.[4] As summarized in the table below, 87.8% of 2024 claims resulted in an average per person loss of $50,000 or less.

Bodily Injury Loss per Person	
Average Loss Size Range	% 2023 Claims
<= $20,000	68.9%
$20,001 -$30,000	11.8%
$30,001 -$40,000	3.8%
$40,001 -$50,000	3.4%
$50,001 -$75,000	2.8%
$75,001 -$100,000	6.8%
$100,001 -$250,000	2.5%
Total	100.0%

Minimum Property Damage Liability Limit

The Division reviewed average per occurrence property damage losses for accidents that occurred in 2024.[5] To ensure that the limit of liability does not "cap" the true loss, the Division's review focused on losses made against vehicles with property damage liability limits of $100,000[6]. As indicated in the table below, 99.39% of 2024 claims resulted in per occurrence losses of $30,000 or less.[7]

Property Damage Loss per Accident	
Average Loss Size Range	% 2024 Claims
<= $5,000	60.8%
$5,001 - $10,000	25.8%
$10,001 - $15,000	7.8%
$15,000 - $20,0000	3.0%
$20,001-$30,000	1.8%
$30,001-$40,000	0.4%
$40,001-$50,000	0.1%
$50,001-$75,000	0.1%
$75,001-$100,000	0.0%
Total	100.00%

[4] Approximately 69.4% of all voluntary personal automobile policies carry limits of 100/300 or 250/500 for bodily injury liability.

[5] Statistics provided by the Automobile Insurers Bureau of Massachusetts. Reserves for property damage claims in 2024 are current through March 31, 2025. Vehicle damage claims are easier to estimate and are settled more quickly than injury claims, so they are meaningful to evaluate for this report.

[6] Approximately 56.5% of all voluntary personal automobile policies carry property damage liability limits of $100,000.

[7] The minimum motor vehicle automobile limits in Massachusetts were updated as of July 1, 2025.

2. Massachusetts court cases regarding motor vehicle accidents that involve a personal vehicle providing transportation services for a TNC.

   The Division reviewed case law and recent court decisions to identify any cases where the liability coverage minimums for Period 1 were at issue. No such cases were identified in this review.

Conclusion and Recommendations

Based on the Division's review of Massachusetts personal automobile insurers' actuarial data reported for standard personal automobile policies industrywide, 87.8% of claims for bodily injury were for $50,000 or less on a per person basis, and 99.3% of claims for property damage were for $30,000 or less on a per occurrence basis. Based upon the reported information, it appears that current minimum liability requirements are sufficient to cover the majority of claims and the Division does not recommend changes to existing requirements at this time.

The Division does not have a way to determine whether a transportation network company or driver has an insurance policy providing coverage of $1,000,000 per occurrence per vehicle during Period 1, or if that level of coverage was offered. We will continue to explore ways to ascertain this information.

Future reports will look to capture information about TNC claims denied for collision and comprehensive damage to determine whether these are significant.