

NEW YORK CITY TAXI AND LIMOUSINE COMMISSION

Notice of Promulgation

Notice is hereby given in accordance with section 1043(f) of the New York City Charter (“Charter”) that the Taxi and Limousine Commission (“TLC”) promulgates rules to update vehicle insurance requirements.

The rule is promulgated pursuant to sections 1043 and 2303 of the Charter and section 19-503 of the Administrative Code of the City of New York. This rule was published in the City Record on October 31, 2024 for public comment. On December 11, 2024 a public hearing was held virtually by the TLC and the rules were adopted by the Commission on January 29, 2025.

Statement of Basis and Purpose

TLC is amending its insurance rules to better ensure coverage for TLC-licensed vehicles. These amendments require more comprehensive reporting to TLC, including the mandatory submission of certain insurance policy information, such as Vehicle Identification Numbers and Certificates of Liability.

Additionally, TLC is updating its rules to align with the New York State Vehicle and Traffic Law and the regulations of New York State Department of Motor Vehicles and the New York State Department of Financial Services, by requiring insurers to be authorized to do business in this State by the Superintendent of Insurance.

The amendments in this rule will provide stronger insurance carrier requirements, the prompt payment of claims, and the tracking of required coverage.

Following the Public Hearing, changes have been made to these rules. After the public comments from the December 11, 2024 hearing held on this rule, TLC has made the following changes to these rules.

- Section 1 and section 2: Removes language that was added to §58-13 and §59A-12(c) in the proposed rule requiring insurance carriers to be solvent and responsible companies, instead focusing on the requirement that the companies be authorized to do business in this State by the Superintendent of Insurance, which will provide more coverage flexibility for TLC-licensed vehicle owners as carriers undergo state-level regulatory review and remove the need for Medallion and For-Hire Vehicle owners to determine their carrier’s financial status. Insurance carriers remain subject to solvency and responsibility standards pursuant to New York State Vehicle and Traffic Law §370 and regulations of the New York State Department of Financial Services. This language was removed following internal review and public comments from several stakeholders, including the New York State Livery Workers Compensation Fund, Counsel for American

Transit Insurance Company, Pearland Brokerage Inc., and the Metropolitan Taxicab Board of Trade.

- Section 1, section 2, section 3: The policyholder name and covered-vehicle registration name-matching requirement has been deleted from §58-13(d)(5), §59A-12(c)(7), and §61A-11(j)(l). This language is unnecessary as vehicle registration and insurance names must already match pursuant to New York State motor vehicle licensing requirements. This change is based on internal review and public comments from the Chauffeured Transportation Association of New Jersey and RMA Worldwide Chauffeur Services.
- Section 1, section 2, section 3: The requirement for TLC minimum coverage to be met through a single primary policy has been deleted from §58-13(d), §59A-12(c), and §61A-11 following feedback from the Independent Drivers Guild, to provide for more pricing flexibility in the insurance market by allowing split coverage. Excess policies may be submitted provided that the carrier is authorized to do business in New York State. However, TLC declines Uber’s proposal that it accept excess policies from carriers that are not authorized to do business in New York State. Such carriers are not subject to regulatory oversight over premium rates by the New York State Superintendent of Insurance, are not required to comply with New York State rules and regulations, and do not provide the same levels of protection for consumers, who have recourse when a carrier authorized to do business in New York State offers deceptive policy terms or unfair claims handling. In addition, policyholders of carriers authorized to do business in New York State receive coverage through the Guaranty Fund in case of insolvency.
- Section 4: Adds a new effective date for this rule, January 1, 2026.

New material is underlined. Deleted material is shown in [brackets].

Section 1. Subdivision (d) of section 58-13 of Title 35 of the Rules of the City of New York is amended to read as follows:

(d) *Coverage Requirements.* No Taxicab can be operated unless it is covered by policies of insurance approved as to form by the Commission and issued by companies authorized to do business in this State by the Superintendent of Insurance.

(1) All Taxicab Owners must, for each of Owner’s Taxicabs, maintain liability coverage through an insurance policy or a bond in amounts not less than the following:

(i) \$200,000 per person, payable for those expenses specified in paragraphs 1, 2 and 3 of subdivision “a” of §5102 of the New York State Insurance Law;

- (ii) \$100,000 minimum liability and not less than \$300,000 maximum liability for bodily injury or death, as these terms are described and defined in §370(1) of the Vehicle and Traffic Law; and
- (iii) \$10,000 minimum liability for injury to or destruction of property.

§58-13(d)(1)	Fine: \$350 and suspension until compliance	Appearance NOT REQUIRED
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(2) A Taxicab Fleet or Minifleet as well as an Independent Owner operating more than one shift daily must maintain double shift insurance coverage.

§58-13(d)(2)	Fine: \$350 and suspension until compliance	Appearance NOT REQUIRED
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(3) Policy Coverage Restrictions. Insurance policies covering Commission-licensed vehicles cannot have any limitations or restrictions on location or timeframes of coverage. Coverage provided under issued policies must be for 24 hours per day, 7 days per week, regardless of vehicle use or purpose.

(4) Excess policies may be used to satisfy the Commission’s minimum coverage requirements with a company authorized to do business in this State by the Superintendent of Insurance.

(5) Policy Information Required. Documentation submitted to the Commission for each vehicle covered by a policy must contain the vehicle identification number for each such vehicle, effective and end dates of the policy, coverage amounts, and Certificates of Liability.

- (i) Declaration pages are required upon Commission request and must contain the schedule of covered vehicles and the policy number.
- (ii) All documentation must be submitted electronically in a form approved by the Commission.

§58-13(d)(3),(4) & (5)	Fine: \$350 and suspension until compliance	Appearance REQUIRED
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§2. Subdivision (c) of section 59A-12 of Title 35 of the Rules of the City of New York is amended by adding a new introductory paragraph and new paragraphs 5, 6 and 7, to read as follows:

(c) Coverage Requirements. No Commission-licensed Vehicle can be operated unless it is covered by policies of insurance approved as to form by the Commission and issued by companies authorized to do business in this State by the Superintendent of Insurance.

(5) Policy Coverage Restrictions. Insurance policies covering Commission-licensed vehicles cannot have any limitations or restrictions on location or timeframes of coverage. Coverage provided under issued policies must be for 24 hours per day, 7 days per week, regardless of vehicle use or purpose.

(6) Excess policies may be used to satisfy the Commission’s minimum coverage requirements with a company authorized to do business in this State by the Superintendent of Insurance.

(7) Policy Information Required. Documentation submitted to the Commission for each vehicle covered by a policy must contain the vehicle identification number for each such vehicle, effective and end dates of the policy, coverage amounts, and Certificates of Liability.

(i) Declaration pages are required upon Commission request and must contain the schedule of covered vehicles and the policy number.

(ii) All documentation must be submitted electronically in a form approved by the Commission.

<u>§59A-12(c)(5)(6) & (7)</u>	<u>Fine: \$350 and suspension until compliance</u>	<u>Appearance REQUIRED</u>
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§3. Section 61A-11 of Title 35 of the Rules of the City of New York is amended by adding new subdivisions (j), (k), and (l), to read as follows:

(j) Policy Coverage Restrictions. Insurance policies covering Commuter Vans cannot have any limitations or restrictions on location or timeframes of coverage. Coverage provided under issued policies must be for 24 hours per day, 7 days per week, regardless of vehicle use or purpose.

(k) Excess policies may be used to satisfy the Commission’s minimum coverage requirements with a company authorized to do business in this State by the Superintendent of Insurance.

(l) Policy Information Required. Documentation submitted to the Commission for each vehicle covered by a policy must contain the vehicle identification number for each such vehicle, effective and end dates of the policy, coverage amounts, and Certificates of Liability.

(1) Declaration pages are required upon Commission request and must contain the schedule of covered vehicles and the policy number.

(2) All documentation must be submitted electronically in a form approved by the Commission.

§61A-11(j)(k)&(l)	Fine: \$350 and suspension until compliance	Appearance <u>REQUIRED</u>
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§4. This rule takes effect on January 1, 2026.