



What Policyholders Need to Know Before Becoming a “TNC” Driver

Pioneer State Mutual does not offer coverage for “Drivers for Hire”

Pioneer State Mutual Insurance Company

With today’s fast-moving technological advancements, a new trend has emerged: hiring a local driver via a website or smartphone app. In light of this, “Transportation Network Companies” (TNCs) such as [Uber](#) and [Lyft](#) are becoming the [most valuable transportation companies](#) in the world, even though they don’t use vehicles of their own.

This trend is even growing here in Michigan, where local residents can now become TNC drivers. However, before Pioneer State Mutual policyholders sign up, it is important for them to know that their Pioneer State Mutual Insurance Policy **does not** provide insurance coverage for this type of work.

How does a TNC work?

The [Department of Insurance and Financial Services \(DIFS\)](#) explains that people looking for a ride can visit a TNC website to find a driver in their area they can hire. Those drivers then use their own personal vehicle to pick passengers up and transport them to their destination(s). This type of transportation is different from a standard car-pool because the drivers are paid by the passenger(s).

Does Pioneer’s Personal and/or Commercial Insurance Policy cover TNC drivers?

Currently, Pioneer State Mutual **does not** cover vehicles while they are being used for hire as a public or livery conveyance under a Personal **or** Commercial insurance policy. So, if a Pioneer State Mutual policyholder were to become a TNC driver and were to be involved in an accident (either while transporting paid passengers or going to/from a paid passenger call), the insurance claim could potentially be denied. Therefore, policyholders interested in this type of work should speak with their [Independent Insurance Agent](#) to purchase adequate coverage through another carrier before they begin transporting passengers for hire.

