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**SB-371 Transportation network companies: insurance coverage.** (2025-2026)

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**Senate Bill No. 371**

**CHAPTER 314**

An act to amend Section 5433 of, and to add and repeal Sections 918.3 and 5436 of, the Public Utilities Code, relating to transportation.

[ Approved by Governor October 03, 2025. Filed with Secretary of State October 03, 2025. ]

**LEGISLATIVE COUNSEL'S DIGEST**

SB 371, Cabaldon. Transportation network companies: insurance coverage.

Existing law provides for the regulation of charter-party carriers of passengers by the Public Utilities Commission and includes specific requirements applicable to transportation network companies and their participating drivers. Existing law defines transportation network companies as certain organizations that, using an online-enabled application or platform, connect passengers with drivers using a personal vehicle. Existing law imposes specified requirements for liability insurance coverage on transportation network companies and their drivers, including a requirement that the insurance coverage provide for uninsured motorist coverage and underinsured motorist coverage in the amount of \$1,000,000 from the moment a passenger enters the vehicle of a participating driver until the passenger exits the vehicle. Under existing law, that coverage may be satisfied by insurance maintained by the participating driver, the transportation network company, or a combination of insurance maintained by the participating driver and transportation network company.

This bill would lower that amount to \$60,000 per person and \$300,000 per incident. The bill would also make the transportation network company responsible for maintaining the uninsured motorist coverage and underinsured motorist coverage.

The bill would require the commission and the Department of Insurance to collaborate on a study of the impacts of the requirements established for uninsured motorist coverage and underinsured motorist coverage to assess whether those requirements are appropriate to the risk of transportation network company services, and to report the findings of this study to specified committees of the Legislature on or before December 31, 2030.

Existing law requires the commission to develop, publish, and annually update a report containing specified information, including, among other things, the commission's annual work plan and an accounting of the commission's transactions and proceedings from the prior year. Existing law requires the commission to submit that report to the Governor and Legislature no later than February 1 of each year.

This bill would require the report submitted on or before February 1, 2026, to also contain certain information regarding automobile accidents reported to the commission by transportation network companies and uninsured motorist and underinsured motorist claims resulting from those accidents, as specified. The bill would require the report submitted on or before February 1, 2027, to specify the average transportation network company rider fare paid during certain time periods, as provided.

This bill would make the operation of its provisions contingent upon the enactment of AB 1340 of the 2025–26 Regular Session.

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** It is the intent of the Legislature that this act ensures that financial savings realized as a result of any reductions in insurance expenditures for transportation network companies will be strategically reinvested to enhance the economic stability and welfare of drivers and riders.

**SEC. 2.** Section 918.3 is added to the Public Utilities Code, to read:

**918.3.** (a) The commission and the Department of Insurance shall collaborate on a study of the impacts of the requirements established for uninsured motorist coverage and underinsured motorist coverage under paragraph (2) of subdivision (b) of Section 5433 to assess whether those coverage requirements are appropriate to the risk of transportation network company services in order to promote data-driven decisions on insurance requirements, and shall report the findings of this study to the Assembly Committee on Insurance and the Senate Committee on Insurance on or before December 31, 2030.

(b) Pursuant to Section 10231.5 of the Government Code, this section shall become inoperative on December 31, 2034, and, as of January 1, 2035, is repealed.

**SEC. 3.** Section 5433 of the Public Utilities Code is amended to read:

**5433.** (a) A transportation network company and any participating driver shall maintain transportation network company insurance as provided in this section.

(b) The following requirements shall apply to transportation network company insurance from the moment a participating driver accepts a ride request on the transportation network company's online-enabled application or platform until the driver completes the transaction on the online-enabled application or platform or until the ride is complete, whichever is later:

(1) Transportation network company insurance shall be primary and in the amount of one million dollars (\$1,000,000) for death, personal injury, and property damage. The requirements for the coverage required by this paragraph may be satisfied by any of the following:

(A) Transportation network company insurance maintained by a participating driver.

(B) Transportation network company insurance maintained by a transportation network company.

(C) Any combination of subparagraphs (A) and (B).

(2) A transportation network company shall provide uninsured motorist coverage and underinsured motorist coverage in the amount of sixty thousand dollars (\$60,000) per person and three hundred thousand dollars (\$300,000) per incident from the moment a passenger enters the vehicle of a participating driver until the passenger exits the vehicle. The policy provided in this paragraph shall be primary over any other applicable uninsured or underinsured motorist coverage and shall be solely the obligation of the transportation network company.

(3) The insurer, in the case of insurance coverage provided under this subdivision, shall have the duty to defend and indemnify the insured.

(4) A transportation network company may meet its obligations under paragraph (1) through a policy obtained by a participating driver pursuant to subparagraph (A) or (C) of paragraph (1) only if the transportation network company verifies that the policy is maintained by the driver and is specifically written to cover the driver's use of a vehicle in connection with a transportation network company's online-enabled application or platform.

(c) The following requirements shall apply to transportation network company insurance from the moment a participating driver logs on to the transportation network company's online-enabled application or platform until the driver accepts a request to transport a passenger, and from the moment the driver completes the transaction on the online-enabled application or platform or the ride is complete, whichever is later, until the driver either accepts another ride request on the online-enabled application or platform or logs off the online-enabled application or platform:

(1) Transportation network company insurance shall be primary and in the amount of at least fifty thousand dollars (\$50,000) for death and personal injury per person, one hundred thousand dollars (\$100,000) for death and personal injury per incident, and thirty thousand dollars (\$30,000) for property damage. The requirements for the coverage required by this paragraph may be satisfied by any of the following:

(A) Transportation network company insurance maintained by a participating driver.

(B) Transportation network company insurance maintained by a transportation network company that provides coverage in the event a participating driver's insurance policy under subparagraph (A) has ceased to exist or has been canceled, or the participating driver does not otherwise maintain transportation network company insurance pursuant to this subdivision.

(C) Any combination of subparagraphs (A) and (B).

(2) A transportation network company shall also maintain insurance coverage that provides excess coverage insuring the transportation network company and the driver in the amount of at least two hundred thousand dollars (\$200,000) per occurrence to cover any liability arising from a participating driver using a vehicle in connection with a transportation network company's online-enabled application or platform within the time periods specified in this subdivision, which liability exceeds the required coverage limits in paragraph (1).

(3) The insurer providing insurance coverage under this subdivision shall be the only insurer having the duty to defend any liability claim arising from an accident occurring within the time periods specified in this subdivision.

(4) A transportation network company may meet its obligations under this subdivision through a policy obtained by a participating driver pursuant to subparagraph (A) or (C) of paragraph (1) only if the transportation network company verifies that the policy is maintained by the driver and is specifically written to cover the driver's use of a vehicle in connection with a transportation network company's online-enabled application or platform.

(d) Coverage under a transportation network company insurance policy shall not be dependent on a personal automobile insurance policy first denying a claim nor shall a personal automobile insurance policy be required to first deny a claim.

(e) In every instance where transportation network company insurance maintained by a participating driver to fulfill the insurance obligations of this section has lapsed or ceased to exist, the transportation network company shall provide the coverage required by this section beginning with the first dollar of a claim.

(f) This article does not limit the liability of a transportation network company arising out of an automobile accident involving a participating driver in any action for damages against a transportation network company for an amount above the required insurance coverage.

**SEC. 4.** Section 5436 is added to the Public Utilities Code, to read:

**5436.** (a) The commission shall provide the following information in its annual report submitted on or before February 1, 2026, pursuant to Section 910:

(1) The average annual number of automobile accidents involving a participating driver using a personal vehicle reported to the commission for the years 2022 to 2024, inclusive, by transportation network companies.

(2) The average annual percentage of those automobile accidents reported to the commission resulting in uninsured motorist or underinsured motorist claims, or both, for the years 2022 to 2024, inclusive.

(3) The average annual percentage of those automobile accidents reported to the commission resulting in uninsured motorist or underinsured motorist claims, or both, over \$100,000 for the years 2022 to 2024, inclusive.

(b) (1) In the annual report submitted on or before February 1, 2027, pursuant to Section 910, the commission shall specify the average transportation network company rider fare, excluding tips, tolls, and taxes, paid during the following time periods:

(A) July 1, 2025, to December 31, 2025, inclusive.

(B) January 1, 2026, to June 30, 2026, inclusive.

(C) July 1, 2026, to December 31, 2026, inclusive.

(2) The information required pursuant to paragraph (1) shall be published by the commission as an aggregate number across all transportation network companies for each time period as reported by transportation network companies.

(c) The commission shall not provide the information described in subdivisions (a) and (b) separately for each transportation network company, and nothing in subdivisions (a) and (b) shall affect the confidentiality of data submitted to the commission by transportation network companies.

(d) Pursuant to Section 10231.5 of the Government Code, this section is inoperative on February 1, 2031, and, as of January 1, 2032, is repealed.

**SEC. 5.** This act shall become operative only if Assembly Bill 1340 of the 2025–26 Regular Session is enacted and becomes effective on or before January 1, 2026.