The Basics of Surplus Lines Insurance Carriers

Standard Carriers

- Standard carriers are used to insure normal or standard risks for which there is a well established market.
- They are also known as “authorized” or “admitted” carriers.
- Approved standard carriers are considered “authorized to do business in the State of Texas” by the Texas Department of Insurance.
  - They are listed on the Texas Department of Insurance’s list of authorized carriers.

Surplus Lines Carriers

- Surplus lines carriers are used to insure high, unusual, or new risks for which there is not a well established market.
- They are also known as “non-admitted” carriers.
- Approved surplus lines carriers are considered “eligible to do business in the State of Texas” by the Texas Department of Insurance.
  - They are listed on the Texas Department of Insurance’s list of eligible carriers.

- Both types of companies are legally allowed to do business in Texas.
- Both types of companies must follow the same claim settlement practices.
  - Texas Insurance Code § 542.001
Proposed TNC Insurance Coverage Requirements

Personal automobile insurance, as required by State of Texas

Driver logs onto network; available to accept trips

Commercial automobile liability insurance coverage in no less than the minimums required by State of Texas (also known as contingent liability insurance) §46-508(c)(2)

Driver accepts requested trip, embarks to pick up passenger

Commercial automobile liability insurance with a combined single limit for bodily injury and property damage of $1,000,000 per accident §46-508(c)(1)

Trip concluded, passenger exits vehicle

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