

# Mississippi Governor Signs Ridesharing Law

April 7, 2016

Mississippi has become the 30<sup>th</sup> state to pass legislation to create a statewide regulatory framework for ridesharing services offered by transportation network companies (TNC) such as Uber and Lyft.

Gov. Phil Bryant signed H.B. 1381 into law on April 4<sup>th</sup> making Mississippi the most recent state to join the TNC club. The new law places regulatory authority under the Mississippi Insurance Department and the state's elected insurance commissioner as regulator of TNCs, who each would have to pay a \$5,000 license fee to the department to operate in the state.

The law takes effect July 1 and requires TNCs to maintain at least \$1 million of liability coverage for their drivers from the moment a ride is arranged until a passenger is dropped off at his or her destination. Any time a driver is logged in to the ridesharing app, but not actually engaged in a ride, he or she will be required to maintain bodily injury coverage with a minimum limit of \$50,000 per person and \$100,000 per accident and physical damage coverage of at least \$25,000. This so-called "Period 1" coverage could be provided by the driver, the TNC or a combination of the two.

Drivers also would be required to undergo criminal background checks, which could be conducted by the TNC or by a third party. The legislation also specifically defined TNC drivers as independent contractors, so long as the TNC and driver both agree in writing, the TNC does not prescribe specific work hours or territories and the TNC doesn't impose any non-compete clauses on drivers.