

Insurance Expectations for New NEMT Providers

Educational Guidance for Early-Stage Operators

This document provides practical context for new and early-stage Non-Emergency Medical Transportation (NEMT) providers regarding insurance availability, underwriting expectations, and market realities. It is intended for educational purposes only and does not endorse any broker, carrier, or insurance program.

1. Insurance Is a Structural Operating Cost

Insurance will likely be one of your largest fixed operating expenses. It should be incorporated into your financial planning from the outset of your business model.

Insurance pricing and availability are influenced by broader industry loss trends, regulatory requirements, and underwriting appetite — not solely by the individual operator's intentions or business plan.

New providers should plan for insurance as a foundational requirement, not an afterthought.

2. Market Access May Be Limited for New Ventures

New ventures often have fewer carrier options until they establish operating history.

Underwriting appetite fluctuates based on:

- State and local market conditions
- Vehicle type and modifications
- Operational profile (ambulatory, wheelchair, stretcher)
- Prior transportation or healthcare experience

Limited options at startup are common and do not necessarily reflect individual business quality.

3. Underwriters Evaluate Operational Experience

Insurance underwriting for NEMT is not based solely on vehicles and mileage. Underwriters will evaluate:

- Relevant healthcare or transportation experience
- Driver hiring and screening procedures
- Safety training and securement practices
- Compliance and documentation controls

New operators are encouraged to prepare a clear operational summary outlining their background, management experience, and safety framework. A well-organized underwriting narrative improves clarity and reduces delays during the quoting process.

4. Insurance Is an Ongoing Relationship

Insurance is reviewed annually and may be adjusted based on claims experience and market conditions.

Operators should understand that:

- Claims handling and documentation matter.
- Clear communication with brokers and carriers reduces friction.
- Working with professionals experienced in NEMT can improve efficiency and reduce misunderstandings.

Insurance is not a one-time transaction; it is part of long-term operational stability.

5. Common Misunderstandings to Avoid

New providers frequently encounter challenges when they:

- Assume all commercial auto policies include loading and unloading coverage.
- Rely solely on a certificate of insurance (COI) without reviewing full policy language.
- Work with agents unfamiliar with NEMT-specific exposures.
- Misclassify drivers without understanding workers' compensation implications.

Foundational insurance literacy helps prevent preventable coverage gaps.

Closing Note

This guidance is intended to help NEMT providers set realistic expectations and approach insurance decisions with clarity. For detailed coverage education, refer to NEMTAC's Insurance 101 and Insurance 201 courses.