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You need coverage to make "Uber" money.

Ridesharing services like Uber and Lyft have become a popular way to make extra cash. But have you considered the insurance implications? Your personal auto policy won't cover it.

What is ridesharing?

Ridesharing allows vehicle owners to charge for transporting passengers in their own cars. Drivers and passengers use a smartphone app to connect for rides and handle payment. Transportation Network Companies (TNC) like Uber or Lyft charge for use of the app.

Why is ridesharing an issue?

Most standard personal auto policies exclude coverage for "public or livery conveyance." In other words, using your vehicle to transport passengers for a fee. Some policies have even stronger exclusions that exclude any coverage when the driver is available for hire. Other restrictions could apply, so even if you don't see a specific exclusion, you should not assume that there is coverage under the personal auto policy.

What if my TNC tells me I'm covered when I drive for them?

An increasing number of TNCs are indicating that they are going to cover the driver's commercial exposure for liability and collision coverage. Some may also offer Uninsured/Underinsured motorist coverage, something that can protect you when you are involved in an accident with an at-fault driver who had insufficient coverage or no coverage at all (which happens all too frequently). You should ask your TNC:

- What they would provide, and
- Whether their coverage would be primary.

How do I know if I'm covered as a driver?

If you are considering becoming a driver for a TNC, you should:

- Find out what the TNC will cover for your commercial exposure, including when coverage starts and when it ends, and
- Talk to your insurance agent about what your personal auto policy may cover if you are involved in an accident.

Although insurance issues are often downplayed by TNCs, the coordination between the commercial and the personal auto policies can pose challenges. The timing and circumstances of the accident will have a bearing on whether coverage is afforded or not.

Is this insurance issue settled?

No. New laws to address proper insurance coverage among other things are being discussed and adopted in many states, but the issue is not yet fully settled. Some personal auto insurers are gradually revisiting the issue and considering new ways to close those gaps in insurance.

EXAMPLES OF POTENTIAL COVERAGE GAPS

You are available for hire (logged into the app) but not transporting a passenger.

You are "logged in" and transporting a passenger.

You are logged out and not transporting a passenger.

You are logged out after dropping off your last passenger, and heading home.