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What if I'm injured in a Lyft?

Ridesharing services like Uber and Lyft have become very popular since they are easy and convenient to use. However, have you considered the insurance implications? In the event of accident or injury, your driver's insurance may not properly cover you as a passenger.

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?

Ridesharing is not the same as a taxi or limousine. Taxis are licensed and subject to strict standards, including vehicle inspection, driver licensing, and comprehensive insurance. TNCs are not subject to the same requirements. Regulators and lawmakers are concerned that the public may not be properly protected, and some have issued consumer alerts about the risks of using a ridesharing app as a passenger.

How is ridesharing insured?

Insurance is the crux of the issue. Drivers are using their personal vehicles, but personal auto insurance excludes transporting passengers for a fee. An increasing number of TNCs are providing some protection by covering the driver's commercial exposure for liability and collision coverage. The scope of coverage provided by the TNC may leave gaps between it and the driver's personal policy.

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

Research the companies that operate in your city to find out how the drivers and passengers are covered, including liability limits. You may be able to claim coverage under your personal auto policy if you are hurt in an accident as a passenger. If you do not own a car, you will not have that option.

Why should I worry?

There is no way of knowing if and when an accident will occur. While often downplayed by ridesharing companies, coordination between commercial and personal auto policies can pose challenges. The timing and circumstances of any accident will have a bearing on whether coverage extends to the driver and the passenger. At this time, coverage gaps still exist in a number of circumstances.

Is this insurance issue settled?

A number of state legislatures have passed laws to address proper insurance coverage, but the issue is not fully settled. Some personal auto insurers are revisiting the issue and considering new ways to close those gaps in insurance.