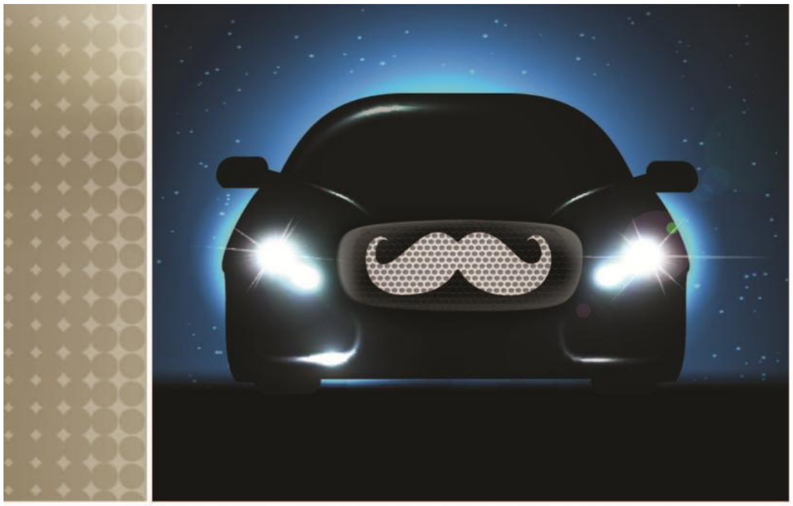

OHL INSURANCE & FINANCIAL SERVICES

Trusted Choice

FAQ Thinking of getting a "Lyft" from a ridesharing service? Make sure you're covered if you get hurt as a passenger?

Ridesharing is becoming more common around the state and the nation, particularly in large cities. Capitalizing on the new "sharing economy" and to a certain extent the coolness factor, this simple concept is thriving. Passengers, however, are generally not aware of the insurance implications, and that their driver's insurance may not properly cover them. If you're thinking of becoming a driver for a Transportation Network Company (TNC), also read our companion flyer.

Q: What is ridesharing?

A: In the new sharing economy, ridesharing allows vehicle owners to transport passengers in their own cars for a fee or a "donation."

- Drivers sign up with a service that charges a fee to connect passengers with drivers via a website or smartphone app.
- Passengers arrange rides and pay with a credit card using the app.

Q: Why is ridesharing an issue?

A: Ridesharing is not the same as riding in a taxi or limousine. Taxis are licensed by the state or a local authority and subject to strict standards, from vehicle inspection and driver licensing to insurance that protects passengers and others who could be hurt in an accident.

Transportation Network Companies (TNCs) such as Uber or Lyft are not subject to the same requirements. However, they have drawn increasing attention from state regulators and legislators concerned that the public may not be properly protected. In fact, various state regulators have issued consumer alerts to warn the public about possible risks of using a ridesharing app when riding as a passenger.

Q: How is the ridesharing company insured?

A: Insurance is the crux of the issue. Drivers are using their personal vehicles. Personal auto insurance generally excludes coverage when transporting passengers for a fee.

An increasing number of TNCs are indicating that they are going to provide some protection by covering the driver's *commercial* exposure for liability and collision coverage. The nature and scope of coverage provided by the TNC varies from company to company, and its coordination with the driver's personal auto policy can leave uninsured gaps, in some cases significant.

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

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

- Research the companies that operate in your city
- Find out how these companies protect their drivers and passengers, including their liability limits

If you have a personal auto policy yourself, you may be able to claim some coverage under your policy if you are hurt in an accident as a passenger. If you do not own a car, you will not have that option, unless you purchased a "named non-owner" policy. We can tell you more about this if you'd like.

Q: Why should I worry? How likely is it that a bad claim will occur?

A: There is no way of knowing what kind of accident will occur. Hopefully, none. However, many of the insurance issues that have come to light have stemmed from catastrophic claims. One in California where a six-year old girl was killed in a collision with a rideshare car.

While often downplayed by those who have an interest in the ridesharing business, coordination between the 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.

Q: Is this insurance issue settled?

A: No. Between challenges from Public Utility Commissions, restrictions on licenses to operate, and the Legislature contemplating new laws to address proper insurance coverage (amongst other things), the issue is not settled. While not readily available at this time, some personal auto insurers may revisit the issue and consider new ways to close those gaps in insurance.

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