



Warning about Ride-sharing and Transportation Network Companies

Rider-sharing and transportation network companies (TNCs) are becoming more common, especially in larger cities. Individuals using their private passenger cars to provide commercial ride-for-hire services through internet based companies like Uber, Lyft, and Sidecar. Recently, insurance companies have reached out to their customers to make them aware of coverage limitations that already exist in their personal auto policies. These coverage limitations have been in the policies since long before ride-sharing or transportation network companies ever existed, but very few people had a need to pay attention to the limitation, until now. One of the insurance companies that we represent, Western National, recently provided the following statement on TNCs. We believe this same information applies to almost all private passenger auto insurance companies:

Western National's Personal Auto and Personal Umbrella insurance policies DO NOT provide coverage for policyholders or their vehicles while being used for a TNC/ride-sharing service. These policies exclude Liability, Medical Payments, Uninsured/Underinsured Motorist coverage, Physical Damage and No Fault insurance when the insured vehicle is being used as "a public or livery conveyance." The term "public conveyance" means a vehicle used indiscriminately in conveying the public. The phrase "public conveyance" implies "the holding out of the vehicle to the general public for carrying passengers for hire." The words "livery conveyance" have about the same meaning; that is precisely what occurs in these ride sharing businesses. Any member of the public can download the app and use the ride service. Therefore, **this business use is excluded by the terms of Western National policies; similar exclusions are found in most companies' personal auto and personal umbrella policies today.**

While TNCs argue that personal lines policies provide coverage for business uses such as driving to meetings, making sales calls, or delivering pizzas, they fail to acknowledge that personal auto policies have the specific exclusions listed above, which address carriage businesses.

Please also note that while many TNCs advertise that they provide insurance, the insurance they provide is excess to other primary policies. Using Uber as an example, the limits are reduced to \$50,000 (bodily injury per person)/\$100,000 (bodily injury per accident)/\$25,000 (property damage per accident) when the vehicle is available for riders but does not have rider in the vehicle. **This situation presents the greatest exposure to you as a driver/owner of the vehicle because these limits are often insufficient to adequately compensate people injured in motor vehicle accidents, thus exposing you to excess judgments.**

At Coverra Insurance Services, it is our goal to provide information on potential gaps in your insurance coverage, in order to help you avoid unnecessary exposure to risks like those posed by Uber, Lyft, Sidecar, and other TNCs. If you have questions about any of the information listed above, please feel free to contact us.

[Learn more at **CoverraInsurance.com/ride-sharing**](https://www.coverra.com/ride-sharing)