



## Accidents Reveal Serious Problems With Uber's Insurance

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**U**ber famously claims to provide \$1 million in liability insurance for passengers who are injured. So, why wasn't [Sarah Milburn](#) covered?

Dallas Uber passenger, Sarah Milburn, was rendered quadriplegic after a collision in which her Uber driver ran a red light, according to news sources. It turns out the car, a Honda Odyssey, was owned by someone other than the driver and **had no insurance coverage**.

Sarah Milburn is 24 years old. Her future has been substantially altered. Milburn is suing Uber for hiring a driver with a criminal history and for being unaware the driver was driving someone else's uninsured vehicle.

Similar to this crash, over the years, Uber's insurance coverage has revealed deadly gaps.

The first major gap came to light when an Uber driver killed six-year-old Sofia Liu who was crossing a San Francisco crosswalk with her mother on New Year's Eve, 2014. Uber announced then it [provided no insurance coverage](#) for drivers without passengers in the car. Since then, California has rectified this gap, [passing a law](#) requiring Transportation Network Companies (TNCs) like Uber to provide *primary* insurance any time a driver is operating with the TNC app on.

This period of time—when TNC drivers have the app turned on and are waiting to be hailed—is known as “Period One.” Today, substantial ambiguity remains concerning insurance coverage during Period One. Unlike California, most states have not passed laws mandating TNCs provide primary coverage during this phase. Some insurance companies provide hybrid insurance to cover Period One in certain states, but not in other states. The availability of such an insurance product does not guarantee an Uber driver will purchase the coverage.

Serious insurance gaps involve Uber and Lyft customers hailing rides outside of the apps.

In an investigative [exposé](#), the *Minneapolis Star Tribune* describes a dangerous culture of “street hails” that has sprung up in the Twin Cities. Late at night, when bars or concerts let out, passengers seeking to avoid expensive surge pricing barter for cash rides provided outside of the Uber or Lyft app. Drivers say they are sometimes mobbed by passengers seeking a cheaper ride home, who knock on their windows “pleading for a cash ride,” according to the report. Drivers often accept, despite the fact that local laws prohibit such street hails.

The news piece notes that even if the driver does work for Uber or Lyft, such passengers will not be able to collect from the companies' insurers if an off-app trip results in an accident.

Just as importantly: If such a ride causes a multicar collision or kills a pedestrian, **there will be no TNC provided insurance coverage whatsoever for these innocent victims**. *Many of the people killed by Uber vehicles have been pedestrians, not customers.*

The lack of proper TNC insurance coverage—combined with customers seeking to avoid expensive surge pricing—represents a public safety issue leading to many more uncompensated accidents waiting to happen.

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*'Who's Driving You?' is a public safety campaign promoting for-hire vehicle safety and highlighting the risks of Uber and Lyft. It was launched by the Taxicab, Limousine & Paratransit Association, a 1,000-member non-profit trade association for the private passenger transportation industry, established 1917. For more information, visit [www.WhosDrivingYou.org](http://www.WhosDrivingYou.org), follow us on Twitter (@WhosDrivingYou) and Facebook ([facebook.com/WhosDrivingYou](https://facebook.com/WhosDrivingYou))*