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Iowa Warns Consumers of Hidden Risks and Possible ‘Devastating Financial Losses’ Stemming from Uber’s and Lyft’s Unsafe Insurance

The Iowa Insurance Division has [issued a warning](#) to its consumers regarding the insurance provided by so-called ‘ridesharing’ companies’ Uber and Lyft—making Iowa the 20th American state, plus Washington, DC, to have issued such an alert.

Almost half of all states in which Uber and Lyft operate have now issued insurance warnings about the services. A link to all 21 insurance warnings thus far can be found [here](#).

Amid speculation that Uber is interested in entering the Des Moines market, Iowa joined the growing chorus of concerns, recommending that drivers consult their insurance companies in order to “avoid devastating financial losses due to non-covered claims,” according to the warning.

“Innovative new uses for technology to make our lives easier is leading to some terrific ideas,” said Iowa’s Insurance Commissioner Nick Gerhart. But he also stressed that “as a regulator, I want potential providers and users to be aware of the very real problems they could face without knowing about these [insurance coverage] restrictions.”

Uber and Lyft encourage private drivers to use their private insurance at least part of the time while cruising the streets for passengers, even though most, if not all, private insurance policies exclude coverage for people who drive commercially. In addition, the common practice of drivers and passengers negotiating for trips paid in cash aren’t covered at all by Uber’s or Lyft’s insurance.

“As Uber and Lyft seek to enter new markets, the word has spread that these companies place consumers at serious risk. So before Uber and Lyft launch in Iowa—and before these companies glibly and irresponsibly announce to passengers that they are safe to use—state officials there have wisely issued this preemptive warning to protect its citizens,” said Dave Sutton, spokesperson of the ‘Who’s Driving You?’ a public safety initiative of the Taxicab, Limousine & Paratransit Association.

ABOUT US:

‘Who’s Driving You?’ is a public safety campaign designed to educate the public about the dangers of unlicensed transportation companies. It is an initiative of the Taxicab, Limousine & Paratransit Association, an international non-profit trade association whose membership consists of 1,100 licensed transportation companies. For more information, visit www.WhosDrivingYou.org, follow us on Twitter (@WhosDrivingYou) and follow us on Facebook (facebook.com/WhosDrivingYou)

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