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National Insurance Association Raises Alarm on Uber and Lyft

ROCKVILLE, Md.—One of the largest property casualty insurance organizations in the country issued a statement today calling attention to serious insurance gaps with transportation companies such as Uber and Lyft.

In the statement to the city council in Buffalo, New York, Kristina Baldwin of the Property Casualty Insurers Association of America (PCI) highlighted “a number of insurance issues that need to be addressed to protect the interests of Transportation Network Services drivers, passengers, other drivers on the roads, and Transportation Network Services companies, as well as automobile insurers.”

Concerns included:

- Personal automobile policies contain exclusions that forbid people from turning their cars into commercial taxis. **“As a result, there would likely be *no coverage* on the driver’s personal auto policy for injuries or damages occurring out of an accident that happened while involved in ‘ridesharing’ activities,”** Baldwin said.
- Companies such as Uber and Lyft claim to offer an “excess” or “umbrella” policy, rather than “primary” coverage. These companies also offer different amounts of coverage at different times, depending on whether a driver has the app on or has a passenger in the car. This, Baldwin said, is **“a source of confusion for drivers and passengers, who either erroneously believe that the personal automobile policy will provide coverage, or realize that it does not and are simply hoping for the best. This confusion is likely to result in costly coverage disputes and delayed compensation to accident victims.”**
- Baldwin concluded that drivers for companies such as Uber and Lyft **“should have coverage that is primary and ideally applies on a 24/7 basis.”** She also called for TNCs to tell their drivers **“that their personal automobile policy will not provide coverage for injuries or damage resulting from commercial activity”** and that any drivers’ personal auto insurer be made aware that he or she is driving commercially.

In New York alone, members of PCI write more than 50% of the automobile insurance in the state.

“Any city official across the country who misses the warning signs from PCI’s statement today simply isn’t paying attention,” said Dave Sutton, spokesperson for ‘Who’s Driving You?’, a public safety initiative of the Taxicab, Limousine & Paratransit Association. “Any drivers who think they are protected by their personal auto insurance when they get in an accident while working for Uber and Lyft simply won’t be. These massive insurance gaps need to be closed.”

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](https://www.facebook.com/WhosDrivingYou)).

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