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Sting Demonstrates How Common Practice of Street Hails Leaves Uber Passengers Completely Uncovered by Insurance

ROCKVILLE, Md.— By Uber's own admission, 'ridesharing' passengers who hail a vehicle on the street using cash—a common practice—are entirely uncovered by Uber's insurance policy.

A recent [investigative news piece](#) shows private detectives in Houston hailing an Uber vehicle on the street, paying cash for the trip, and arranging for future trips to be conducted in the same manner with an uberX driver. The Uber driver states that he welcomes this arrangement because it allows him to avoid paying Uber's 20 percent fee. Later in the piece, the reporter states Uber acknowledged that if passengers do not book trips via the app "and abide by Uber's platform" the company's insurance does not apply to the ride whatsoever.

This information is of extreme importance for consumers and leaders seeking to understand how and why Uber's and Lyft's insurance is unsafe. Such "cash trips" are a common occurrence in the traditional taxicab industry—and perfectly acceptable since passengers and drivers in legitimate taxicabs are covered by primary commercial auto liability insurance coverage 24/7. However, the insurance provided by 'ridesharing' companies Uber and Lyft will not cover these cash trips.

"Both 'ridesharing' drivers and passengers have financial incentive for cash trips—they're cheaper for passengers and more profitable for drivers. As Uber and Lyft drivers operate in cities across America, their number of private passengers—or regulars—who opt to pay for cheaper trips using cash outside of the app will inevitably increase in number," said Dave Sutton, spokesperson for 'Who's Driving You?' "It's crucial to understand that not one person in this scenario—not the passenger, the driver, or anyone else the driver may accidentally harm—will be covered by insurance in case of an accident."

'Ridesharing' drivers will be uninsured because private insurance will not cover them while operating commercially. Passengers are also not covered because their names are not logged in to Uber's or Lyft's systems for those trips. "Ridesharing passengers involved in these cash transactions likely have no clue they are entirely uncovered by insurance during these trips," Sutton said. "The dangers are very very real. The risks are enormous."

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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