

NEWS: 2014 PRESS RELEASE

For Release: April 9, 2014

Media Calls Only: 916-492-3566

Insurance commissioner recommends Uber, Lyft & Sidecar bear the burden of providing insurance

SACRAMENTO, Calif. - Transportation Network Companies (TNCs) such as Uber, Lyft and Sidecar should bear the insurance burden when they encourage non-professional drivers to use their personal vehicles to transport passengers for a profit. The recommendation stems from a recent Department of Insurance investigative hearing.

"While smart phone technology is bringing new business opportunities to the marketplace and new transportation choices for consumers, our investigative hearing revealed serious insurance gaps in the current business model of Transportation Network Companies such as Uber, Lyft and Sidecar," said Commissioner Jones. "As long as TNCs are encouraging non-professional drivers to use their personal vehicles to drive passengers for a profit, a risk which personal automobile insurance simply does not cover, TNCs should bear the burden of making sure that insurance is provided. Our recommendations will ensure there is insurance protection for passengers, drivers and pedestrians."

Commissioner Jones' recommendations include:

- Requiring TNCs to provide \$1 million commercial liability insurance that begins the moment a driver switches on the app
- Requiring TNCs to provide \$1 million uninsured/underinsured coverage to protect the driver and passenger
- Requiring TNCs to provide insurance policy information to TNC drivers to carry in their cars
- Requiring TNCs to disclose to drivers that their personal auto insurance coverages may not apply while they drive for the TNC
- Requiring TNCs to provide comprehensive and collision coverage for the driver's auto if the driver has those coverages on the driver's own policy
- Legislature should revisit the ridesharing and casual carpooling laws to allow for apps that match not-for-profit drivers with casual riders

The commissioner's letter and complete recommendations to the California Public Utilities Commission can be found on the [department's website](#).

###

The California Department of Insurance, established in 1868, is the largest consumer protection agency in California, regulating the \$123 billion insurance marketplace. In 2012 the California Department of Insurance received more than 160,000 calls from consumers and helped recover over \$64 million in claims and premiums. Please visit the Department of Insurance web site at www.insurance.ca.gov. Non-media inquiries should be directed to the Consumer Hotline at 800.927.HELP. Out-of-state callers, please dial 213.897.8921. Telecommunications Devices for the Deaf (TDD), please dial 800.482.4833. If you are a member of the public wishing information, please visit our [Consumer Services](#).