

Nevada Division of Insurance Informs Consumers about Insurance Issues Surrounding Ride-Sharing Technology Companies

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Carson City - As ride-sharing technology services gain popularity across the country, the Nevada Division of Insurance is informing Nevada consumers that such for-profit ride-sharing arrangements can put them at risk of being uninsured.

Ride-sharing technology companies offer transportation services for a fee using smart phone applications to connect potential passengers with drivers offering their personal vehicles. When consumers use their own private passenger automobiles to transport individuals for a fee, they risk driving without proper insurance.

Important Information for Consumers

- Consumers need to be aware that when utilizing these types of ride-sharing technology companies that they may be driving with someone who is uninsured. This puts passengers at financial risk should they be involved in an accident and are injured. The Division recommends that passengers ask to see proof of commercial liability insurance before accepting a ride. Using a vehicle to carry passengers for a fee is typically known as livery services, and requires a commercial auto insurance policy.
- A personal auto insurance policy will not pay for damages to the driver's vehicle, or injuries to the driver, the passengers or third-parties as a result of a commercial venture.
- Typically, personal auto insurance policies exclude coverage for drivers using their personal vehicles for commercial purposes. In addition, the failure to disclose such commercial use of the

vehicle to the insurer may result in the insurer canceling the personal auto policy for misrepresentation.

- Consumers wishing to use their vehicles for a commercial venture or to provide livery services should notify their insurance company and discuss their options with their insurance agent or carrier.
- Traditional share-the-expense carpooling or ride-sharing arrangements in which friends, neighbors, or co-workers share driving duties and the cost of gasoline are not considered commercial-type activities and are typically covered by individual insurance policies.

About the Nevada Division of Insurance

The State of Nevada Division of Insurance is a division of the Nevada Department of Business and Industry. It is the state agency that protects the rights of Nevada consumers and regulates Nevada's \$11.7 billion insurance industry. It has offices in Carson City and Las Vegas. In 2013, the Division investigated more than 2,600 consumer complaints and recovered more than \$3.8 million on behalf of consumers. For more information about the Division of Insurance, visit DOI.NV.GOV.

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