

About

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Types of Coverage



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Services for Producers &
Other Licensees

Services for Insurance
Companies

Mcare

News and Media

Participating Drivers and Riders Face Insurance Risk with New Ride- Sharing Services

Harrisburg – As the vacation travel season gets underway, the Pennsylvania Insurance Department is reminding consumers to understand their personal auto insurance policies before participating with any of the new ride-sharing services.

"With the recent rise in Transportation Network Companies, or TNCs, which connect passengers with drivers through an online or mobile phone application, consumers may be focused on the new innovation without understanding their liability or risk exposure," said Insurance Commissioner Mike Consedine. "Learning too late of gaps in insurance coverage can have serious financial consequences for participants in these programs."

Personal auto insurance policies typically exclude coverage while your vehicle is being used in a ride-sharing service, under what is commonly known as a public livery exclusion. While some TNCs may purchase coverage for their network of drivers, this insurance may not cover all costs, including those for which you may be liable, in the case of an accident.

If you wish to be a driver or passenger with these new programs, take the steps now to be sure you have the coverage you may need.

Here are some tips:

- Check your own personal auto insurance policy, and make sure you see a copy of any commercial insurance policy held by the TNC to protect its drivers.
- Contact your insurance agent, broker or company to identify potential gaps in your personal automobile insurance policy and the TNC's policy. Let your insurance company know of your intent to participate in the program.
- Make sure the commercial automobile insurance policy held by the TNC includes coverages required by law for medical benefits, bodily injury and property damage liability. Ask about the optional coverages for collision damage, or injuries caused by an uninsured or underinsured motorist.
- Be aware that any coverage to address these gaps should include the period before, and during, the times when you are designated to drive passengers.
- Be certain you understand which insurance policy (your personal auto or TNC commercial) provides what coverage and when that coverage is triggered.

Consumers should also be aware that certain ride-sharing services or TNCs currently have commercial applications pending with the Pennsylvania Public Utility Commission. Consumers with questions on any of these applications can click on www.puc.pa.gov and go to "search for documents."

Traditional car-pooling 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. These types of arrangements are typically covered by personal auto insurance policies.

For more information on Pennsylvania insurance products and coverage, click on www.insurance.pa.gov. Consumers with questions should call 877-881-6388.

[\[Back to Top\]](#)

Log In

Accessing Public
Documents

Press Releases

Regulatory Information

Testimony and
Speeches