



State of Utah

GARY R. HERBERT

Governor

SPENCER COX

Lieutenant Governor

TODD E. KISER

Commissioner

Insurance Department

For Immediate Release

May 20, 2014

Contact: Tracy Klausmeier

801-538-3869

tklausmeier@utah.gov

Notice to Ride-Share Drivers and Their Passengers

Technology based ride-sharing ventures, such as Lyft and UberX, continue to grow in popularity. These ventures – sometimes called ride-sharing programs or transportation network companies (TNC) – rely on apps and other online-enabled platforms to connect paying passengers with drivers who use their own personal vehicles to provide transportation to these passengers. Utah Insurance Commissioner Todd E. Kiser said that most personal automobile insurance policies contain exclusions for livery services. That means that the policy generally will not provide coverage for liability incurred while driving passengers in exchange for payment, other than an expense sharing arrangement, such as a carpool. You should read your policy to determine its specific exclusions from coverage, but a typical exclusion is set forth below:

We do not provide coverage ... arising out of the ownership or operation of a vehicle while it is being used as a public or livery conveyance. This exclusion does not apply to a share-the-expense car pool.

Based on this or similar exclusions, insurance companies might deny coverage to TNC drivers who are involved in an accident while driving for hire.

“I encourage anyone who drives for a transportation network company to contact your insurance agent or broker, also known as a “producer,” or insurance company,” said Commissioner Kiser. “Discuss your potential insurance needs when driving for a TNC and identify any potential gaps in your current coverages.” You may need to consider increasing coverage limits, buying a commercial policy with liability,[1] uninsured/underinsured motorists (UM/UIM), [2] personal injury protection (PIP),[3] or comprehensive and collision coverage[4] to be certain that coverage exists for damage or bodily injuries you cause others as well as for damage to you, your car and/or for damage caused by an uninsured or underinsured motorist while you are driving for hire, and the need for worker’s compensation insurance.

[1] Liability insurance protects policyholders when they have caused an accident. There are two types of liability coverage that are required by state law: bodily injury liability coverage and property damage liability coverage.

[2] UM/UIM provide bodily injury coverage when the party at fault does not have liability coverage, or the minimum liability coverage is insufficient to cover the injuries. UM/UIM

provide coverage for damage to your vehicle caused by an uninsured or underinsured motorist.

[3] Personal injury protection provides coverage for reasonable and necessary expenses for hospital, medical and disability benefits, as well as certain lost income caused by an accident.

[4] Comprehensive and collision coverage cover physical damage to your vehicle not caused by an uninsured or underinsured motorist. Collision coverage covers damage to your vehicle caused by collision with another vehicle or with any other object, as well as vehicle upset (overturn). Comprehensive coverage covers damage to your vehicle caused by a factor other than collision, such as fire, theft, windstorm, flood, vandalism, etc.

ISSUED MAY 20, 2014

The Utah Insurance Department is a State agency. Its mandate is to regulate insurance marketed and sold in Utah. Currently more than 95,000 agents, agencies, and insurers are licensed; domestic insurers are audited to verify financial stability and compliance with insurance laws; administrative action is taken against licensees found to be in violation of insurance laws; calls from consumers with questions or complaints are taken; and licensees and consumers are educated regarding insurance. For more information visit <http://www.insurance.utah.gov/> or call toll free in-state @ 1-800-439-3805 or locally @ 801-538-3077.