
UBER

DRIVING MISS DAISY II



WHAT IS RIDE SHARING?

Drivers utilize their own vehicles to transport passengers. The drivers and passengers are connected with each other through a mobile app. Drivers and passengers do not exchange payment. Payment is handled through the mobile app where the passenger has stored his or her credit card information.

ASK YOUR CLIENTS

One of the things that may be important for insurance agents is to ask customers whether they or any of their family members are driving for a ride sharing company.

BEGINNING JANUARY 1, 2016

Anyone driving for a ride-sharing company or anyone owning a vehicle used for ride sharing, is required to maintain primary auto insurance that covers the vehicle being driven while he or she is logged on the ride-sharing company's digital network, engaged in a prearranged ride, or transporting a passenger for compensation.

TWO PERIODS

The ride sharing process has been broken down into two periods. Drivers or vehicle owners are required to have coverage in place for both Periods 1 and 2, either through their own auto insurance, the ride-sharing company's insurance or a combination of the two.

PERIOD 1

Period 1 is defined as the time when a driver is logged on to the digital network and available to receive transportation requests but not engaged in a prearranged ride. During this time, the following auto insurance requirements apply:

PERIOD 1 CONT.

Period 1 is defined as the time when a driver is logged on to the digital network and available to receive transportation requests but not engaged in a prearranged ride. During this time, the following auto insurance requirements apply:

PERIOD 1 CONT.

A. Primary auto insurance of at least \$50,000 for death and bodily injury per person, \$100,000 per incident and \$25,000 for property damage specifically for the time period the driver is logged into the network and available to receive transportation requests, but not engaged in a prearranged ride; and

PERIOD 1 CONT.

B. Primary auto liability insurance that meets the minimum coverage requirements for uninsured/underinsured motorist coverage and auto liability coverage, i.e. 25/50/10.

PERIOD 1 CONT.

C. The policy may and probably will exclude coverage for uninsured/underinsured motorists' coverage during this period

PERIOD 2

Period 2 is defined as the time when a driver is engaged in a prearranged ride. During this time, the following auto insurance requirements apply.

PERIOD 2 CONT.

A. Primary auto insurance that provides at least \$1,000,000 for death, bodily injury and property damage during the time the driver is engaged in a prearranged ride; and

PERIOD 2 CONT.

B. Primary auto liability insurance that meets the minimum coverage requirements for uninsured/underinsured motorist coverage and auto liability coverage, i.e. 25/50/10.

PERIOD 2 CONT.

C. The policy may and probably will exclude coverage for uninsured/underinsured motorists' coverage during this period

COVERAGE BY UBER

If the insurance maintained by the driver or vehicle owner, as described in Periods 1 and 2 has lapsed or does not provide the required coverage, the insurance maintained by the ride-sharing company must provide the coverage required from the first dollar of a claim, and the company has the duty to defend the claim. Under the new law, coverage by an automobile insurance policy maintained by the ride-sharing company does not depend on a personal auto insurer first denying a claim, nor is it required that the personal auto liability carrier first deny coverage.

REQUIRED OF RIDE SHARING COMPANIES

Ride sharing companies must provide the following information, in writing, to the driver before the driver is allowed to accept a request for a prearranged ride on the digital network:

REQUIRED OF RIDE SHARING COMPANIES

A. Coverage, including the types of coverage and limits for each coverage, provided by the ride-sharing company to the driver using a personal vehicle in connection with the digital network; and

REQUIRED OF RIDE SHARING COMPANIES

B. Notice that the driver's own auto insurance policy, depending on its terms, might not provide any coverage while the driver is logged on to the digital network and available to receive transportation requests or is engaged in a prearranged ride.

INSURORS

Insurers are allowed to exclude any and all coverage under the driver's or owner's insurance policy for any loss or injury occurring while the driver is logged on to a ride-sharing network or providing a prearranged ride. Insurers are not required to provide coverage for ride-sharing, but may do so if they choose.

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QUESTIONS

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OR CALL

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