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RIDE-SHARING

In today's world of ever increasing technological advances, opportunities now exist for individuals to utilize their personal autos as a path to earn extra income. Although the way in which vehicle owners can participate in these pathways seem very simple, the insurance issues surrounding them can be very complicated.

On the forefront of this new trend are companies such as Uber and Lyft. These companies, termed "Transportation Network Companies" (TNCs), connect drivers with potential fare paying riders via phone apps or websites. Due to ease of use and flexibility, these companies' popularity is increasing nationwide with both drivers and riders. However, there are insurance matters that should be considered before you agree to accept a rider for payment.

Does my auto policy cover me?

As a driver, it is important to understand what coverage is afforded under your Personal Auto Policy (PAP). Almost universally, PAP's specifically exclude coverage when the vehicle is being operated as a livery. This means if you are operating your vehicle and logged into the TNC's system so that you can find a rider, you may not be covered under your personal auto policy for any damage or injuries for which you are legally liable. Insurers can now cancel a policy for such activities unless the insured has coverage through an endorsement to the policy or coverage provided under another policy.

Does the company's policy cover me?

Effective February 29, 2016 it is the responsibility of the TNC driver to ensure that they have the proper insurance coverage while they are logged into a TNC or transporting passengers on behalf of a TNC.

Under Arizona Revised Statutes §28-4038, either the TNC driver, the TNC itself, or both are required to provide primary motor vehicle liability insurance coverage in the amount of twenty-five thousand dollars because of bodily injury to or death of one person in any one accident, subject to the limit for one person, fifty thousand dollars because of bodily injury to or death of two or more persons in any one accident and twenty thousand dollars because of injury to or destruction of property of others in any one accident. Coverage shall be maintained through any of the following:

- A private passenger motor vehicle policy maintained by the transportation network company driver that expressly provides liability coverage while the driver is logged in to the transportation network company's digital network or software application to be a driver.
- A motor vehicle liability policy maintained by the transportation network company.
- A commercial motor vehicle liability policy.

How do I know if the coverage from the TNC is adequate?

The required insurance coverages that apply during the time a rider is not being transported are only slightly higher than the coverage currently required for individual standard auto policies. Therefore, you should seriously consider consulting with your insurance agent or insurer to determine how you may obtain additional insurance coverage to meet your personal needs if you choose to participate with a TNC. Any decision about insurance should be made with as much reliable information possible. Currently, some insurance companies have begun to offer insurance coverage specifically for TNC participants and risks associated with TNC arrangements. By shopping around you may find an opportunity to add this kind of insurance coverage to your personal auto policy.

Persons with disabilities may request materials be presented in an alternative format by contacting the ADA Coordinator at (602) 364-3100. Requests should be made as early as possible to allow time to procure the materials in an alternative format.
