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## RIDE SHARING

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*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.

### **Does the company's policy cover me?**

Effective July 2015, if you are not covered by your own auto policy because you are logged into the TNC system, TNCs are required to provide liability coverage for you. However, it is important to understand when coverage is being provided and, in what amounts.

Under Arizona Revised Statutes §20-4038, TNC's are required to provide the following insurance coverage for Arizona drivers.

- Once a driver has logged into the company's platform but before he or she has accepted a request for a ride: coverage is required to cover, at a minimum, \$25,000 per person and \$50,000 per occurrence for bodily injury to others and \$20,000 for property damage to others.

- Once a driver has accepted a request for a ride, or while providing transportation: coverage is required to cover, at a minimum, \$250,000 for combined bodily injury and property damage to others and \$250,000 for uninsured motorist.

### **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.

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*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.*

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