

Need a Ride? There's an App for That ... but Should You Use It?

By: Mark D. Sammarone

Today's technology presents consumers with a wide array of smartphone apps that can do almost anything. One of the latest apps gaining popularity helps people find transportation quickly and for less money than they might pay a traditional taxi cab. Simply call up a ride with apps such as Uber, Lyft or Sidecar and your ride appears within minutes ready to whisk you off to your destination. Drivers use their own cars and payment is transferred via the app as a "donation". Drivers and passengers are connected easily with a simple swipe on their mobile device. But are you and your passengers covered in the case of an accident when using ride-sharing technology?

Large cities across the country have seen an increase in private drivers operating as transportation services through smartphone applications and Pennsylvania is no exception. However, drivers need to be cautious before venturing into new Transportation Network Companies (TNC's) services. According to Pennsylvania Insurance Commissioner, Mike Consedine, consumers need to understand their personal auto insurance policies. These policies typically exclude coverage (public livery exclusion) while your vehicle is being used in a ride-sharing situation. And while some TNCs may purchase coverage for their network of drivers, this may not cover all costs or liabilities in case of an accident.

If you consider driving for one of these new programs, take the following steps to protect yourself and your passengers from potential insurance coverage gaps.

- Check your own auto policy and ask to 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 either your own policy or the TNC's policy

- Verify that the TNC's commercial policy includes coverage required by law for medical benefits, bodily injury and property damage. Inquire about optional coverage for collision damage, or injuries caused by uninsured or underinsured motorists
- Any coverage needed to address these gaps should include the period before, and during the times when you are designated to drive passengers
- Understand which insurance policy (personal or TNC commercial) provides what coverage and when said coverage is triggered

Currently, the issue of drivers and their ride-sharing companies continue to make headlines. Uber, the largest of the TNC's, has been sparring with Lyft as to whether drivers may affiliate themselves with more than one company. In New York City, Lyft was forced to shut down for two weeks over conditions required for entering the marketplace. The state's attorney general announced that Lyft may operate but using only already-licensed commercial drivers. While commercial drivers are plentiful in larger cities, Lyft may be forced to shut down in smaller locations where commercial drivers are not abundant. Insurance companies are also hesitating and questioning the actual use and licensing of cars and drivers who participate in ride-sharing ventures.

Even though technology is moving fast and apps are fun and easy to use, the temptation to make or save a quick buck with ride-share is real, but caution should be used before partnering up for the ride.

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