



# WHEN SHARING A RIDE CAN COST YOU

## RIDESHARING HAS COME TO VIRGINIA: MAKE SURE YOU'RE PREPARED.

Public transportation has become personal in Virginia, with the recent arrival of rideshare services in Hampton Roads, Richmond and Northern Virginia.

Ridesharing allows vehicle owners to transport passengers in their own cars for a "donation", or drivers sign up with a service that charges a fee to connect passengers with drivers via a website or smartphone app. Passengers arrange rides and pay with a credit card using the app.

Both are enticing prospects to those looking for extra money and flexible hours, but there are insurance implications that could cause potentially significant financial problems.

Talk to your agent if you want to participate in these services. We'll explain your coverage and tell you what you need.

Ridesharing and vehicle sharing services have hit the roads of cities all across the nation and the globe. The concept seem simple enough, but Virginia drivers need to be informed of the risks.

If you're interested in participating in ride sharing, you must seek the right insurance coverage so you'll be protected in an accident. Here's the fine print.

### 1 RISKS TO PASSENGERS

Recently Virginia has passed wide ranging and significant regulations related to ride-sharing services also known as Transportation Network Companies (TNC). When you are in a TNC vehicle and you have followed the procedures for contacting a TNC vehicle, there are required insurance coverages provided of the TNC corporation – or at least they must assert to verification of coverage. This coverage is supposed to be in force from the moment a passenger enters a TNC vehicle until they get out of the vehicle. You should not be afraid to ask for proof of insurance by the driver. Be careful – TNC approved vehicles MUST have a "medallion" which represents an approved TNC driver (presently only two companies are approved in Virginia).

The ONLY way a passenger is protected is if they go through the TNC app to find a driver. By law, street hails and off the app calls have no insurance – either through the TNC company or the standard auto policy. This means, if your driver suggests that you call them directly for a return ride, it is very likely that they are not only breaking the law but if there's an accident there will be no insurance coverage for your injuries.

Both the cab and TNC industries are highly regulated with the TNC industry regulated by the Virginia Department of Transportation – [www.dmv.state.va.us](http://www.dmv.state.va.us)

### 2 DRIVERS MUST KNOW WHAT THEIR INSURANCE COVERAGES ARE

The bottom line is if you are going to drive for a transportation network company, you need to sit down with your independent insurance agent and make sure you have adequate coverage. It is highly likely that your primary auto coverage will NOT provide any protection as

soon as you turn on the TNC app. As soon as you turn the app on you are engaged in a commercial business that needs specific coverage.

Recently Virginia law requires specific coverages for TNC drivers – either individually or through the TNC company itself or both. There are different coverages required for when you have a passenger and when you don't. It is essential – for both you and your family – to know what your financial exposure is if there is an accident and you are cited at fault. The implications of inadequate coverage are significant with a recent case still in litigation with estimated damages as high as \$20 million.

A common mistake among TNC drivers is that they may not have adequate coverage on their own vehicle in the case of an accident when they have the app on. Virginia legislation predominately seeks to make sure that the public is protected and that riders receive protection in the case of an accident. It is up to the driver to make sure that they have adequate protection. Again, make sure that you visit with your independent insurance agent to review your coverages.

### 3 WHAT CAN GO WRONG?

The TNC technology is relatively new. While new regulations are in force, much of it has not been tested in the courts. You DO NOT want to be a test case – either as a rider or a driver/partner. If you sign up as a TNC rider, make sure you familiarize yourself with the protections associated and required by your state (NOTE: There are no uniform protections. Each state is different so regulations of surrounding states to Virginia may be different.) If you sign up as a TNC driver/partner, make sure you are adequately covered by either the TNC company itself or through your own insurance. Don't forget to protect your own vehicle.

## CONTACT YOUR INDEPENDENT INSURANCE AGENT

Ridesharing is a complex issue, and the story unfolds daily. CALL your agent to review your personal auto policy. They'll point out gaps in coverage and tell you what options your carrier offers.