



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.



This information brought to you by the Independent Insurance Agents of Virginia, Inc.

Consumer warning

Ridesharing services have hit the roads of cities all across the nation and the globe. The concept seems simple enough, but Virginia drivers and passengers 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

Passengers should be aware of several issues. First, rideshare drivers aren't currently subject to the regulations that taxi and livery services follow. While the Virginia Division of Motor Vehicles has recently released regulations for rideshare companies, there are still numerous questions related to insurance and criminal background checks of drivers.*

Second, if a rideshare vehicle driver has no insurance and is in an at-fault accident, the passenger may be forced to hire an attorney and file suit – which can be costly and doesn't guarantee an enforceable settlement. In addition, if the passenger has auto insurance, their own insurance may come into play in the case of under- or uninsured motorist coverage. Of course, if the passenger doesn't have auto insurance, they could be totally exposed financially.

2. Drivers may not be covered

Ridesharing services are not covered by traditional personal auto insurance policies. Most policies have exclusions that apply when using a vehicle to transport people or property for a fee. Some insurers added an additional endorsement to clarify that someone using a vehicle for ridesharing or renting is also excluded from coverage. Some companies may not renew your policy

when they find out your car is involved in ridesharing.

Rideshare drivers need additional protection, so find out if your carrier provides such coverage.

3. A rideshare service's insurance isn't enough

Some rideshare services offer supplemental liability insurance to their drivers for coverage while they are operating as a rideshare driver. But that does not provide coverage for expenses incurred to repair damage to their own vehicle. It also doesn't include other expenses that can result from an accident, such as medical bills. Ask the rideshare service for details about their insurance coverage and make sure you're covered from app on to app off.

4. What can go wrong?

A recent case illustrates that the stakes are high. A six-year-old girl was killed in a collision with a rideshare car in San Francisco. The driver said he was awaiting a fare at the time of the accident. Because the driver wasn't transporting a passenger when the accident occurred, the rideshare company said he wasn't covered by their policy – leaving the driver financially responsible. The case is still in litigation, but it is estimated that damages could go as high as \$20 million.

* DMV released temporary regulations in August 2014.

Contact your independent insurance agent

Ridesharing is a complex issue, and the story unfolds daily.

Call your agent to review your personal auto policy and even your rideshare service's policy. They'll point out gaps in coverage and tell you what options your carrier offers.