



When sharing a ride can cost you

Ridesharing in Ohio: know the facts before you participate

Public transportation is now personal in Ohio, with rideshare services in Toledo, Cleveland, Akron, Cincinnati, Columbus and Dayton.

Ridesharing allows vehicle owners to transport passengers in their own cars for a "donation."

Drivers sign up with a transportation networking company (TNC), 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.



Ohio cities offer ridesharing services

Vehicle sharing lets car owners rent their cars to others when not in use.

Both options sound enticing, but there are insurance implications that could cause potentially significant financial problems. Gaps in insurance coverage, safety concerns and a lack of regulation add to the layers of complexity.

Talk to us if you want to participate in rideshare services. We'll explain your coverage and tell you what you need. We can also look into new commercial policies designed for rideshare-type purposes.

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Consumer warning

Ridesharing and vehicle sharing are seemingly simple concepts, but Ohioans should understand the risks.

1. Drivers may not be covered

Ridesharing and vehicle sharing are not covered by traditional personal auto insurance policies. Most policies have exclusions when a vehicle is used to transport people or property for a fee. Many also exclude coverage when a vehicle is rented to others. Some insurers have added an endorsement stating that using a vehicle for ridesharing or renting is not covered. Most companies will not renew your policy if your car is involved in ridesharing.

Rideshare drivers need additional protection, so find out if your carrier provides such coverage. Also learn exactly what your TNC policy covers. Does your personal policy cover you when the TNC's policy doesn't? When does your personal auto policy coverage begin and end?

2. Risks to passengers and bystanders

Passengers should think about two issues. First, if involved in an accident, will you have coverage for your injuries? If a rideshare vehicle driver has no insurance, an injured passenger or bystander may be forced to hire an attorney and file a suit for injuries against the driver. That can be costly and doesn't guarantee an enforceable settlement.

In addition, the passenger may need to file a claim under his or her own auto policy's medical payments or uninsured motorists coverage. And what if an uninsured or underinsured motorist causes your injury?

Second, rideshare drivers aren't currently subject to taxi and livery services' regulations. That means drivers aren't required to have city-regulated vehicle inspections or background checks with fingerprints, a public safety concern to many cities.*

3. A TNC's insurance isn't enough

Some rideshare services offer liability insurance to their drivers for coverage while operating as a rideshare driver, but the policy may not provide coverage for damage to their own vehicle. It also may not cover other expenses resulting from an accident, such as medical bills. If you want to be a rideshare driver, ask the TNC for details about their insurance coverage.

4. What can go wrong?

A 2014 wrongful death case against the driver of a rideshare vehicle illustrates that the stakes are high. A girl was killed when struck by a rideshare car in California. The driver said he was awaiting a fare at the time of the accident, but the TNC said their policy didn't cover the driver when the accident occurred because he wasn't transporting a passenger. That left the driver financially responsible. The case is still in litigation, but estimated damages could go as high as \$20 million.

* Columbus approved such regulations in July 2014.

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