

Is Your Insurance Ready For You To Drive For Uber?

Uber, Lyft, and other ride-sharing companies (known as transportation network companies or "TNC's") are coming to upstate New York. The new state budget allows the Department of Motor Vehicles to authorize them to operate here starting in July. These companies offer convenient ride options and a flexible way for drivers to make extra money.

You or a member of your family may be thinking about driving for a TNC. If so, there are a few things you should know about how auto insurance will apply when you do.

1. Most personal auto insurance policies do not cover someone who owns or operates a car while using it to move people or property around for money. The only exception is a normal "share the cost of the gas" car pool. This means that, while you're driving for a TNC, your personal insurance will not pay:

- If you hit a pedestrian
- If your car is damaged in a fender-bender
- If a stone damages your windshield.

These last two examples could be a serious problem for car owners who have outstanding loans on their vehicles. Most lenders require borrowers to maintain physical damage insurance on their vehicles.

2. In states where TNC's have been legal for a while, some insurance companies have offered special coverage for TNC drivers. They might decide to offer it in New York. However, they might not offer to

cover damage to the driver's vehicle. These products will become gradually available as the year progresses. The prices will vary by company.

3. The new law allows insurance companies to sell TNC's auto insurance policies that cover their drivers' vehicles. If insurers decide to offer them, these policies will cover the vehicle owners and operators for

- Damages they owe because of injuries or property damage caused to someone else, and
- Injuries they may suffer from uninsured or underinsured drivers.

They may also cover damage to the drivers' own cars but do not have to. We do not know how many insurers will offer these policies or if they will cover damage to the cars.

Anyone considering becoming a TNC driver should speak with an independent insurance agent. An insurance professional can identify missing coverages and what may be available. The introduction of these services can be a great thing for the upstate economy. Just make sure you have the proper financial protection before signing up.

Just make sure you have the financial protection before driving any passengers in you or your family's vehicle.

Contributed Editor: Tim Dodge, AU, ARM, CPCU; Assistant Vice-President of Research; Independent Insurance Agents & Brokers of New York, Inc.

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Joe Convertino, Jr
President

