When sharing a ride can cost you

Understand the risks of ridesharing

Public transportation has become personal in Washington.

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

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

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

We can help

Ridesharing is a complex issue, and the story unfolds daily. Call us to review your personal auto policy and even your rideshare service's policy. We'll point out gaps in coverage and tell you what options your carrier offers. We're here to make sure you are protected.

Consumer Warning

Ridesharing and vehicle sharing services seem simple enough, but Washington drivers need to be informed of the risks.

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

1. Risks to passengers

Rideshare drivers aren't currently subject to the regulations that taxi and livery services follow. That means drivers aren't required to have city-regulated vehicle inspections or background checks, which is a public safety concern to many cities. Also, if a rideshare vehicle driver has no insurance, the passenger may be forced to hire an attorney and file a suit for injuries against the driver – which 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 motorist's coverage.

2. Drivers may not be covered

Neither ridesharing nor vehicle sharing services are covered by traditional personal auto insurance policies. Most policies already 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 will not renew your policy when they find out your car is involved in ridesharing. Rideshare drivers need additional protection, so find out how we can help you get 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.

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.

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