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NEWS RELEASE

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CONSUMER ALERT: TRANSPORTATION NETWORKING COMPANIES (TNC)

BOISE ID (May 22, 2014) – As Transportation Networking Companies (TNC) are gaining popularity nationwide, the Idaho Department of Insurance is highlighting the potential insurance implications for consumers participating in ridesharing services.

TNCs offer transportation services for a fee using an online method or an application (such as a smart phone app) to connect potential passengers to drivers using their personal vehicles. Examples of TNCs include UberX, Lyft and Sidecar. These fee-based services may pose hidden risks if the rider, driver or vehicle does not have insurance coverage for that activity.

“Traditional car-pooling arrangements by friends who share expenses and take turns driving are not typically a problem,” says Department Director Bill Deal. “The problem arises when an individual uses a personal auto for livery service – driving for hire – without the proper insurance coverage in place. Potential gaps in insurance coverage for both drivers and passengers is concerning.”

Potential TNC drivers should consider the following:

- Review your personal auto insurance policy; be sure you understand the TNC program’s insurance policy.
- Contact your agent or insurance company to identify potential gaps in your personal auto policy or TNC’s policy.
- Find out if your personal auto coverage would remain in force if you drive for a TNC.
- Understand that most standard personal auto policies contain exclusions for livery.
- Make sure the commercial automobile insurance policy held by the TNC includes coverage for bodily injury and property damage to you and others, and/or for damage caused by an uninsured or underinsured motorist *before* and *during* the time you are designated to drive passengers for payment.

Potential TNC riders should be aware of the following:

- Review carefully any type of agreement involving car-sharing or ridesharing.
- Before you rely on insurance provided by others, obtain a copy of the policy and ask your agent if it covers all of your exposures.
- Evaluate who may be responsible if you are injured and whether coverage will be available.

Cities may have requirements applicable to taxis. For example, in Boise taxi drivers are required by city ordinance (Boise City Code Section 5-24-09) to carry automobile liability insurance in the amount of \$500,000 on their vehicles.

For more insurance tips and information, contact the Department by visiting www.doi.idaho.gov or by calling 334-4250 in the Boise area or 800-721-3272 toll-free statewide.

About the Department of Insurance

The Idaho Department of Insurance has been regulating the business of insurance in Idaho since 1901. The mission of the Department is to equitably, effectively and efficiently administer the Idaho Insurance Code and the International Fire Code. For more information, visit www.doi.idaho.gov.

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