

GearUp Uber Webinar

Presented June 27, 2017

Audience Questions

NOTE: Due to the volume of questions received we have consolidated duplicate questions and grouped them under general headings for ease of reading. The answers below are based on responses from Uber. Coverage provided by Lyft or other transportation network companies may differ.

INSURANCE COVERAGE

Q. What coverage does Uber provide to its drivers?

A. Phase 1 (App is on, has not accepted a ride request) - \$75/150/25

Phase 2 (Ride request accepted, no passenger in car) - \$1.25 million CSL and contingent comp & collision if provided under personal auto policy

Phase 3 (Passenger in car) - \$1.25 million CSL and contingent comp & collision if provided under personal auto policy

Q. Is the \$1.25 million a shared limit or does it apply to each driver?

A. It is a per occurrence limit that applies separately to each driver.

Q. Are SUM and PIP included?

A. Yes, at the same limits provided under Phases 1, 2 and 3.

Q. What about APIP (Additional PIP)?

A. Only required PIP is provided.

Q. Are the driver and vehicle specifically listed on the Uber policy?

A. No, this is a group policy with blanket coverage that provides coverage to all Uber drivers. The vehicle and the driver are covered under blanket endorsements.

Q. Will Lyft offer similar coverage?

A. Based on what has occurred in other states we expect Lyft to offer similar coverage for its drivers. However, Lyft has traditionally included a \$2,500 deductible on contingent comp & collision, compared to Uber's \$1,000

Q. What if a driver is logged into Uber and Lyft at the same time? Which policy is primary in Phase 1?

A. The "Other Insurance" clauses will determine, which we think will likely result in both policies providing pro-rata coverage.

Q. What if you have a passenger in the car and your phone dies so you are no longer on the app? Are you still covered?

A. The law requires \$1.25 million limit when there is a passenger in the car. The insurance is dependent only on the ride being booked through the app.

Q. If driver's personal auto policy covers full glass, does the contingent comp & collision coverage provided by Uber also include full glass?

A. There is no full glass coverage under the TNC policy. It is an ISO form physical damage policy that covers comp and collision.

Q. In what phases does Uber provide contingent comp & collision?

A. Contingent comp & collision is provided by Uber in Phases 2 & 3 IF the driver has comp & collision on their personal auto policy

Q. Does the driver pay for the coverage provided by Uber?

A. No. Coverage is provided automatically to all Uber drivers

Q. Is there any limitation of coverage under the Uber policy if the driver is under the influence of alcohol or drugs?

A. Insurance still applies in these circumstances.

Q. Will the Uber policy cover a driver who has a commercial auto policy rather than a personal auto policy?

A. Uber's policy sits excess to any commercial auto policy carried by a driver.

Q. Which policy applies if a passenger is injured while exiting the car?

A. Exiting the vehicle is considered Phase 3 so the Uber policy would apply. Entry and exit from the vehicle is covered as a no-fault loss.

DRIVER REQUIREMENTS

Q. What is the minimum age to be a driver?

A. 19 years old

Q. Does Uber do background checks on its drivers?

A. Yes, at the time of application and then periodically

Q. Are MVRs run on drivers?

A. Yes, at the time of application Uber does a driving history check.

Q. What if a friend wants to try Uber driving and uses an Uber sanctioned vehicle? Is he covered?

A. The driver must go through an application process before being authorized to drive for Uber. That said, Uber's insurance policy covers all rides that are booked using valid credentials. If someone loans their phone/credentials to a friend to use, that is a violation of Uber's terms of service and could result in the loss of driving privileges, but the insurance still applies while that friend is driving.

PERSONAL AUTO POLICY (PAP)

Q. Does the personal auto policy exclude ridesharing activities?

A. The Department of Financial Services (DFS) has expressed its opinion that ridesharing activities do NOT fall under the livery/public conveyance exclusion in the PAP. The law allows insurers to fully exclude these activities and we expect to see exclusion endorsements added as company filings are approved. In the meantime, the DFS has included a provision in its emergency regulations that the TNC policy for all three phases will be primary until January 1, 2019 to give insurers time to file and get approval for their exclusion and coverage endorsements.

Q. If a driver gets a ticket will they be surcharged on the Uber policy, personal policy or both?

A. No points or surcharge may be imposed on the personal auto policy for an accident occurring while the driver was logged onto a TNC network but not engaged in a pre-arranged trip or engaged in a pre-arranged trip, and the accident did not result in a conviction for a moving traffic violation, unless the policy is providing coverage for ridesharing activities. If the coverage is provided by an endorsement then the insurer may impose a surcharge on the separate premium for the endorsement. The policy provided by Uber is a group policy so there is no individual rating.

Q. Can a policy be canceled solely due to ridesharing activities? What about nonrenewal?

A. New Section 3456 of the Insurance Law states that “an insurer shall not cancel an existing motor vehicle insurance policy solely on the basis that the motor vehicle covered by the insurance has been made available pursuant to a transportation network company program”. The existing requirements under Section 3425 would apply for nonrenewal.

GENERAL

Q. When does it officially start in New York?

A. Ridesharing has been available in New York City, operating under the rules of the Taxi & Limo Commission, and will continue to do so. It will be available in the rest of the state outside of New York City, under the transportation network company (TNC) rules, starting on June 29, 2017.

Q. Is there a conflict with leased vehicles (terms of lease)?

A. Individuals with lease or loan agreements should check the contract language to make sure there are no restrictions for ridesharing activities.

Q. Can drivers cross into other states to pick up or drop off passengers? What about Canada?

A. Drivers may cross state lines during a trip. Their ability to initiate a new ride in that other state will be impacted by the laws of that state governing TNC driver qualifications. The insurance policy will still cover losses that occur in Canada even if cross-border travel is not encouraged.

Q. What limits apply if an accident occurs outside of New York State?

A. We expect normal deemer rules to apply. If a ride begins in NYS, but an accident occurs in NJ, the NJ required limits of \$1.5M will apply.

Q. Are Uber drivers in NY required to take part in the DMV's LENS (License Event Notification System) program?

A. The New York State DMV's LENS program is for businesses that employ drivers and is used to track license suspensions, revocations, renewals, traffic convictions, reportable accidents and other information important to employers. Under the bill that passed, TNCs are required to participate in LENS.

Q. How is workers comp for the drivers handled?

A. Drivers outside New York City will be classified as independent contractors. They don't qualify for workers comp from Uber, however the legislation expanded the existing Black Car Fund that exists in New York City to include upstate rideshare drivers. Rideshare drivers are considered technical statutory employee of the Black Car Fund.