



Department of Business Regulation

Insurance Division

1511 Pontiac Avenue, Bldg. 69-2
Cranston, Rhode Island 02920

Consumer Alert 2014-4

Participation in Ride-Sharing Programs Potential Insurance Implications

The Department issues this Bulletin to highlight potential insurance implications for Rhode Island residents participating in for hire transportation services, commonly referred to as ride-sharing programs. These operations typically provide pre-arranged transportation services for compensation using an online-enabled platform to connect passengers with drivers using the driver's personal vehicle. These operations include companies such as Lyft, UberX, and Sidecar. While the programs vary, the potential gaps in insurance coverage for both drivers and passengers is concerning.

In Rhode Island, for hire transportation services are regulated by the Division of Public Utilities and Carriers (DPUC), under [R.I. Gen. Laws § 39-14.1, Public Motor Vehicles](#). Operators/drivers who intend to offer for hire transportation services must be licensed by the DPUC and maintain a minimum of \$1.5 million commercial liability insurance, and obtain a special Hackney Operator's License issued by the DPUC **prior** to transporting passengers for hire in RI. Moreover, R.I. Gen. Laws § 39-14.1 requires that these services be provided only in vehicles bearing "Public Registration License Plates". Anyone contemplating driving for such services should contact the DPUC at 401-780-2158.

Potential Coverage Gaps in your own Personal Auto Policy:

- Most standard personal auto policies contain exclusions for livery - which essentially means driving for hire. Typical exclusions are set forth below (but your exclusion(s) may be different - please read your policy):

Liability Coverage (Exclusion):

We do not provide Liability Coverage for any insured:

For that insureds liability arising out of the ownership or operation of a vehicle while it is being used as a public or livery conveyance. This Exclusion does not apply to a share-the-expense car pool.

Medical Payments Coverage (Exclusion):

We do not provide Medical Payments Coverage for any insured for bodily injury:

Sustained while occupying your covered auto when it is being used as a public or livery conveyance. This Exclusion does not apply to a share-the-expense car pool.

Coverage for Damage to your Auto (Exclusion):

We will not pay for:

Loss to your covered auto or any non-owned auto which occurs while it is being used as a public or livery conveyance. This Exclusion does not apply to a share-the-expense car pool.

- Insurance companies might deny coverage to operators that are driving passengers for payment of more than a share-the-expense car pool fee based on the above exclusions or similar exclusions.
- You should contact your insurance agent, broker or insurance company about potential gaps in your personal automobile coverage that can arise if you are driving for one of these operators. You may need to consider buying a commercial policy with medical payments, comprehensive, collision and UM/UIM to be certain that coverage exists for damage to you, your car and/or for damage caused by an uninsured or underinsured motorist while you are driving passengers for payment of more than a share-the-expense car pool fee. As previously noted, you should contact the RI DPUC at 401-780-2158 **prior** to transporting passengers for hire in RI.

More Information

Please visit our website at www.dbr.ri.gov, or you may click [here](#) to obtain additional consumer information and alerts issued by the Rhode Island Insurance Division.

The best way to protect yourself is to research the agent and company you're considering:

- **STOP** before writing a check, signing a contract or giving out personal information.
- **CALL** your state insurance department at 401-462-9520, or email at DBR.Insurance@dbr.ri.gov and,
- **CONFIRM** that the agent and company are licensed to write insurance in your state

For specific questions about insurance coverage or about a licensee, you may contact the Rhode Island Insurance Division at 401-462-9520, or email at DBR.Insurance@dbr.ri.gov. You may also file a complaint online with the RI Insurance Division by clicking [here](#).

About the RI Insurance Division

The mission of the [Rhode Island Insurance Division](#) is to assist, educate and protect Rhode Islanders through the implementation and enforcement of state laws mandating regulation and licensing of the regulated industries while recognizing the need to foster a sound business environment in the state. We are also committed to treating everyone who comes before us fairly, efficiently and with respect.

Joseph Torti III
Superintendent of Insurance
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