

[Bach Talk - Appropriately regulating Uber and Lyft](#)

ACME News

Residents of cities throughout the US now have the option to “Uber” or “Lyft” their way to a destination instead of taking a traditional taxicab. These innovative, tech-sector start-up businesses are labeled “Transportation Network Companies”, (“TNCs”). Initially, TNCs avoided having to comply with many of the laws, regulations and fees that taxi drivers and owners are subject to. The taxicab sector has been none too pleased. And top among the laws and regulations TNC initially avoided having to deal with were insurance requirements. In most areas of the country, taxis, town cars and limos are legally required to carry much higher (and more expensive) insurance limits than what a non-commercial driver must carry. These requirements do not apply to TNCs.

Uber and Lyft drivers have been essentially free to buy only the legally required minimum personal insurance that any individual non-commercial driver must carry. But as accidents and pedestrian deaths involving un and underinsured TNC drivers began occurring, pressure to fix the situation began to build. Predictably, the companies that insure drivers who’ve signed on as Lyft and Uber drivers are relying on a “commercial pursuits” exclusion in their policies to avoid paying for injuries to and caused by those drivers. Their view is essentially: “We didn’t sign on for this larger level of risk.” “We insured these people as individual, non-commercial drivers. If we’d known they were using their personal vehicles to earn money driving strangers around, we would have sold them a commercial policy at commercial rates”, insurers’ say. Uber is lobbying hard to resist regulation and keep their freedom to avoid being held responsible for their drivers financial/insurance liability, but it appears to be a losing battle.

In the interest of safety, fairness and protecting the public, (riders *and* pedestrians), regulators are catching up. State lawmakers and Insurance Commissioners are moving to regulate TNCs at a rapid rate and UP is in the mix on behalf of consumers. [UP supported California legislation to require TNCs and their drivers to carry adequate insurance](#). And we’re supporting the California Department of Insurance in its [efforts to appropriately regulate these innovative businesses](#) and protect public safety.

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Related information:

[Transportation Network \(Ride Sharing Network\) Issue Status](#)

[Leaked transcript shows Geico's stance against Uber, Lyft](#)

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