

[“Sharing Economy” UPdate](#)

As they work to establish oversight of new transportation network companies, and set fair rules for licensure, insurance and competition with the taxi industry, regulators are classifying Uber, Lyft and other ride-sharing businesses as the “Sharing Economy.”

United Policyholders has been engaged in these oversight efforts in relation to insurance. In advancing and protecting the interests of insurance consumers in connection with the Sharing Economy, we are focused on three types of consumers: Riders. Drivers. Business Owners. All three types need insurance protection that will pay in the event of an accident. And because the Sharing Economy involves non-professional drivers using their personal autos to carry around strangers, this fast-growing industry creates new risks not contemplated by traditional property and casualty insurance policies.

Debates in [State Legislatures](#), [civil court cases](#) and at the [National Association of Insurance Commissioners](#) have focused on insurers’ obligations to indemnify and defend insureds in accidents involving ride-sharing vehicles. Some insurers have already amended their policies they sell to individual non-commercial drivers to exclude or limit coverage for accidents involving ride-sharing vehicles. Whether the exclusions will apply to drivers as well as riders, how much accountability will Uber, Lyft, etc. have at the corporate level, and a range of other issues are TBD.

United Policyholders had a lengthy meeting with Uber executives in San Francisco in early January 2015 to discuss these issues, and has been engaged in dialogues with insurance Commissioners and other public officials over the past year.

Our guidance to consumers at this time is: Gaps in coverage and compensation shortfalls have already emerged after injury accidents involving ride-sharing vehicles. So if you’re earning money through ride-sharing, check with your insurer to confirm you will be protected if you cause or are involved in an accident. If you’re using ride-sharing services to get from place to place, make sure you have adequate liability coverage in your own auto, home, renters and/or umbrella policy.



While these new insurance issues work their way through our regulatory and legal systems, there will be lots of disputes and lots of litigation...[so err on the safe side](#).

The information presented in this publication is for general informational purposes and is not a substitute for legal advice. If you have a specific legal issue or problem, United Policyholders recommends that you consult with an attorney. Guidance on hiring professional help can be found in the "Find Help" section of www.uphelp.org. United Policyholders does not sell insurance or certify, endorse or warrant any of the insurance products, vendors, or professionals identified on our website.

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