



How Insurance Works in a Lyft Or Uber Accident

Here is how Lyft insurance works:

DRIVER MODE OFF:

Your personal insurance is your insurance policy.

DRIVER MODE ON BUT NOT YET ACCEPTED A RIDE:

Lyft provides Contingent Liability to protect you if your personal insurance doesn't. (Your collision claims are not covered by this insurance and you would need to go through your personal auto insurance for that. If you are in this state, it is best not to say you were online for Lyft or Uber and claim it as a regular insurance claim.)

RIDE REQUEST ACCEPTED THROUGH THE END OF LYFT RIDE:

Lyft's liability coverage is primary to your personal insurance. It's designed to cover your liability for property damage and bodily injury of passengers and/or third parties.

HOW DOES CONTINGENT LIABILITY COVERAGE WORK?

Our contingent liability coverage is designed to provide coverage **when the app is in driver mode before you've received a ride request** in the event your personal insurance does not respond. The policy has a \$50,000 maximum per person, \$100,000 maximum per accident, and a \$25,000 maximum for property damage. There is **no deductible** under this policy. (Again, this doesn't cover collision which means that you are liable for repairs to your own car)

HOW DOES CONTINGENT COLLISION COVERAGE WORK?

(Only for when you are in an active Lyft, from the instant you accept the ride request to when you end the trip and drop off the passenger.)

Our contingent collision coverage is designed to cover physical damage to your vehicle resulting from an accident **as long as you have obtained collision coverage on your personal automobile policy**. The policy has a \$2,500 deductible and a \$50,000 maximum for physical damage to your vehicle. Like any driver's personal auto policy, this policy is designed to step in regardless of whether or not you're at fault.

HOW DOES CONTINGENT COMPREHENSIVE COVERAGE WORK?

Similar to our contingent collision coverage, our contingent comprehensive coverage is designed to cover physical damage to your vehicle resulting from a non-collision event (for example a fire, vandalism, a natural disaster, etc.) **as long as you have obtained comprehensive coverage on your personal automobile policy**. The policy has a \$2,500 deductible and a \$50,000 maximum for physical damage to your vehicle. Like any driver's personal auto policy, this policy is designed to step in regardless of whether or not you're at fault.

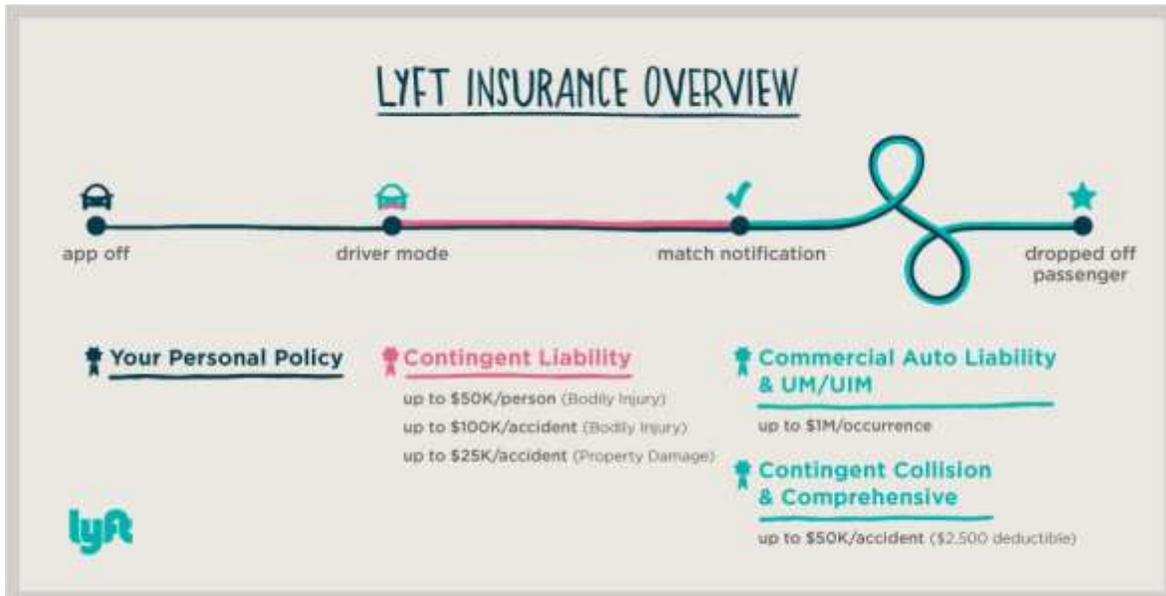
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WHAT DOES UM/UIM MEAN AND HOW DOES THIS COVERAGE WORK?

UM stands for uninsured motorist and UIM stands for underinsured motorist. In the event of an accident (once you have accepted a ride and are transporting a passenger) with a driver who is uninsured or underinsured and is ultimately at fault for bodily injury caused to you, your passengers, or third parties, our UM/UIM coverage will apply for up to \$1M per incident. There is no deductible on UM/UIM claims.

WHEN DO THESE COVERAGES APPLY?

It depends on the coverage. During the time the Lyft app is on and available to accept a request (also known as “Driver Mode”), the contingent liability policy is in effect. The other three coverages are in effect beginning when you’ve accepted a passenger ride request and are on your way to pick the passenger up. They continue while you’re giving a ride to a passenger and until you end the ride in the app.



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How Uber's Insurance Works:

DRIVER MODE OFF:

Your personal insurance is your insurance policy.

DRIVER MODE ON BUT NOT YET ACCEPTED AN UBER TRIP (DARK GREY):

Uber provides Contingent Liability to protect you if your personal insurance doesn't. (Your collision claims are not covered by this insurance and you would need to go through your personal auto insurance for that. If you are in this state, it is best not to say you were online for Lyft or Uber and claim it as a regular insurance claim.)

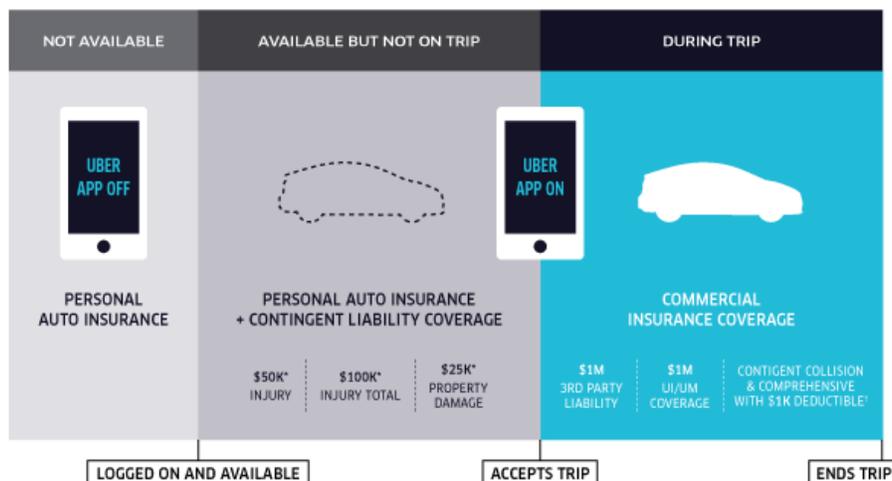
RIDE REQUEST ACCEPTED THROUGH THE END OF THE UBER TRIP (BLUE):

Uber's liability coverage is primary to your personal insurance. It's designed to cover your liability for property damage and bodily injury of passengers and/or third parties.

Our contingent collision coverage is designed to cover physical damage to your vehicle resulting from an accident **as long as you have obtained collision coverage on your personal automobile policy**. The policy has a \$1,000 deductible.

Our contingent comprehensive coverage is designed to cover physical damage to your vehicle resulting from a non-collision event (for example a fire, vandalism, a natural disaster, etc.) **as long as you have obtained comprehensive coverage on your personal automobile policy**. The policy has a \$1,000 deductible. Like any driver's personal auto policy, this policy is designed to step in regardless of whether or not you're at fault.

uberX Ridesharing Insurance Coverage



*PROVIDES BACK-UP COVERAGE WHEN/IF DRIVER'S PERSONAL AUTO INSURANCE DECLINES CLAIM

*PROVIDES COVERAGE IF DRIVER'S PERSONAL AUTO INSURANCE INCLUDES COLLISION COVERAGE; UP TO \$50K MAXIMUM (UPDATED 7/14/2014)



Here are two scenarios when you get into an accident: at fault or not.

If you are not at fault:

- If the driver remains on the scene and he/she has adequate insurance, the other driver's insurance will be paying out damages to you. Lyft's Insurance or your own personal insurance shouldn't have to get involved. In most cases, it is recommended to report it to your insurance as they will help you track your claim and fight for your money. However, if you are not at fault and get into an accident while on Lyft or Uber, it is best not to report it to your own auto insurance company.
- The other driver's insurance will only pay out as much as that person has coverage for. If there is not enough for the full damages, then you can go to court and sue him personally. This is why liability insurance is so important because if you don't have it, you could get sued and lose everything you own depending on the damages you incur.

If you are at fault:

- You will be liable to pay for the damages to the third party, passengers, your own car, and your own medical bills (if you incurred any). Lyft's and Uber's commercial insurance will pick up your liability for damages to third parties and your passenger.
- Damages of your car will be paid out by Lyft or Uber IF AND ONLY IF you have submitted those claims to your own personal auto insurance and they deny this claim. If they deny this claim, it is very possible that they will drop you as your insurer as you are using your vehicle for hire. You really can't argue with them on this one as it is at their discretion to interpret what is for hire and what is not, even if you are working for Sidecar and they are on the donation model.
- If your own personal auto policy denies your claim, Lyft's insurance will cover your car, but only after a \$2500 deductible. You will have to pay up to \$2500 worth of damage before Lyft's insurance pays for any of the damages to your own car. For Uber, it is only \$1000.
- If your own auto insurance already denied your claim for collision, they won't be covering your medical bills either. Your fallback is your personal medical insurance but make sure not to mention that you were in a car accident or they would force you to go through your auto insurance.

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Direct Contact in case of an Accident on Lyft or Uber

Lyft:

First, make sure that you and any passengers with you are safe. Call the police if any emergency response is needed, and follow the steps outlined by state law. After the situation is settled and you are ready to leave the scene of the accident, call the Lyft Critical Response Team at 855-865-9553 to let us know the details of what happened.

<https://www.lyft.com/drive/help/article/1229153>

Uber:

You will have to email your local Uber for assistance. You can find the full list of Uber email address on this page on Rideshare Dashboard

[Click here for the full list of local Uber email addresses.](#)

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Implications of Lyft and Uber on your Auto Insurance, Car Loans, and Car Leases

There is still quite a few gray areas in terms of Insurance for Lyft and Uber. It can be summarized as trying to hide the fact that you work for Uber and Lyft, which is against the Terms of Contract for insurance, car loans, and lease contracts. Here are the consequences of these items:

Insurance

If the insurance find out you drive for Lyft and Uber, they will cancel your policy. This is happening mostly with Geico as they take almost every opportunity to ask you if you drive for Lyft and Uber. Some insurances are ok with it, so when you are shopping around for new insurance, ask the insurance agent if their company is ok with Lyft and Uber on a regular personal use car insurance. Commercial insurance that covers for-hire doesn't make financial sense for part time drivers and some full-time drivers.

Car Loans

Your loan can be revoked if they find out you are using the car for business purposes. They do have business use loans which may result in higher interest rates and terms. When they revoke your car loan, they will ask for the remainder of the payment in full and may also charge additional fees. Again, if you don't mention it to them, they will never find out.

Car Leases

Car leases does not cover for-hire services at all. All for-hire business owners buy them with a loan or with cash. If they find out, they can force you to pay the remainder of what you owe on your lease and require you to return the car. Again, if you don't mention it to them, they will never find out. It is normally a bad idea to use a leased car for Uber and Lyft as you may put too many miles on your car. It may make sense if you do UberBlack or SUV as the income per mile is much higher and number of trips and miles is lower.



Medical Coverage of the Driver:

So after reading through both insurance coverage, it seems that Lyft's and Uber's commercial insurance policy only covers passengers and third parties, and not the driver if you were found to be at fault. If you are not at fault, it is up to the driver responsible for the accident to pay your medical bills, and if they do not have sufficient insurance, then Lyft or Uber's insurance will cover that with the underinsured motorist clause.

Here is Lyft's response about medical coverage of the driver in the case of an at-fault accident:

Lyft's \$1M liability policy is designed to protect you from being held personally liable for an accident when you are at fault. It covers up to \$1M in damages to the person and property of your passengers and the other driver. Liability insurance does not cover you or your car. The rest of our insurance options, with the exception of UM/UIM, are designed to cover the cost of damage to your vehicle, and only if your insurance company denies your claim. These are contingent comprehensive and contingent collision.

UM/UIM is uninsured or underinsured motorist insurance, which functions as liability in the event that you are not at fault in a hit-and-run, or if the at-fault driver is uninsured or underinsured.

None of these policies will cover bodily injuries when you are determined to be at-fault. Lyft drivers are independent contractors, and as such at this time our insurance does not provide worker's compensation or lost wages.

More information on our insurance policies can be found at our Help Center:

<https://www.lyft.com/drive/help/article/1229170>

Please do not hesitate to contact me if you have further questions about this topic.

Best,

Magda P.

Trust & Safety Specialist



In the case of an auto accident, it is the auto insurance that kicks in first. Here is a link I found [on personal medical insurance coverage in an auto accident](#) and here is the important aspects of the post:

Auto Policies Pay First

When it comes to actual insurance company responsibility for a car accident injury, the first payments are supposed to be charged against the auto policy in place. Most states require motorists to have personal injury protection. The amount of coverage can vary greatly, but medical bills will or should be charged up to the policy limits before actual health insurance should come into play at all for a car accident injury. Learn about [car insurance rules in your state](#).

Cycling into Medical Insurance Coverage

Generally, medical insurance policies will start picking up bills for a car accident injury as soon as all other forms of payment are exhausted. What is covered and what is not will hinge on the policy itself. Injured parties will likely still have to pay:

- Their deductible amount under their health insurance policy
- Any co-payments that are required under a health insurance policy
- For any charges that are not typically covered by the policy.

Recovering Expenses

If the injured party in question is not the at-fault driver, the insurance companies involved may work behind the scenes to get the at-fault party's policies to absorb some of the costs. Victims of car crashes can also sometimes recover some of their out-of-pocket expenses by making that part of any [car accident settlement agreement](#) with the at-fault driver and/or their insurance carrier.



Personal Health Insurance

So if you get into an auto accident on Lyft, it may be up to your private health insurance policy to kick in to protect you. However, I spoke with a few in the insurance industry and if you get into an accident while on Lyft or Uber, it can be considered a workplace injury and your personal health insurance can deny your claim. What you would need to get protected is worker's compensation insurance, which will also cover lost wages and short term disability. I got a rough estimate on it and it's in the neighborhood of \$1500 a year, just to give you a sense of how much it may cost, but check with a local commercial insurance agent to verify the price in your city and state.

If you are considering using your personal health insurance in case of any personal injuries on Lyft and Uber, here are some details on two popular plans at my current workplace:

- HDHP (High Deductible Health Plan, or also known as CDHP Consumer Driven Health Plan) – These policies have much lower premiums but if you get into an accident, you will need to fulfill the deductible amount which is often \$1500 per person. It is the worst when it's you and a significant under the same plan. The deductible is double that, even if only one of you is in an accident, so it could be as high as \$3000 for the year before the insurance will start to pay for your medical coverage. I would take a long look at this policy if you intend to do Lyft or Uber
 - When I had this plan, I put in a lot of money in the first year to make sure I had a nest egg to cover the deductible. I ski and run a lot so I would be what you call risk prone. A lot of things can go wrong, like snowboarding the wrong way and almost dying snowboarding on an active volcano (that's a story for another day.)
- PPO – This is the plan I am going with now. It is a bit more (\$34 a month) but the deductibles are much lower. The plan I have has a \$250 deductible, or \$500 for a family (two or more people). This is much lower and I feel much safer with this deductible as if I get into an accident with Lyft or Uber and no one decides to pay, at least my personal health insurance will kick in.

I am hoping that both companies amend their insurance policies to cover drives as well. We are at risk of losing everything if we get into one little accident. Luckily we are covered from a liability standpoint, but what about us? What about our own health?