



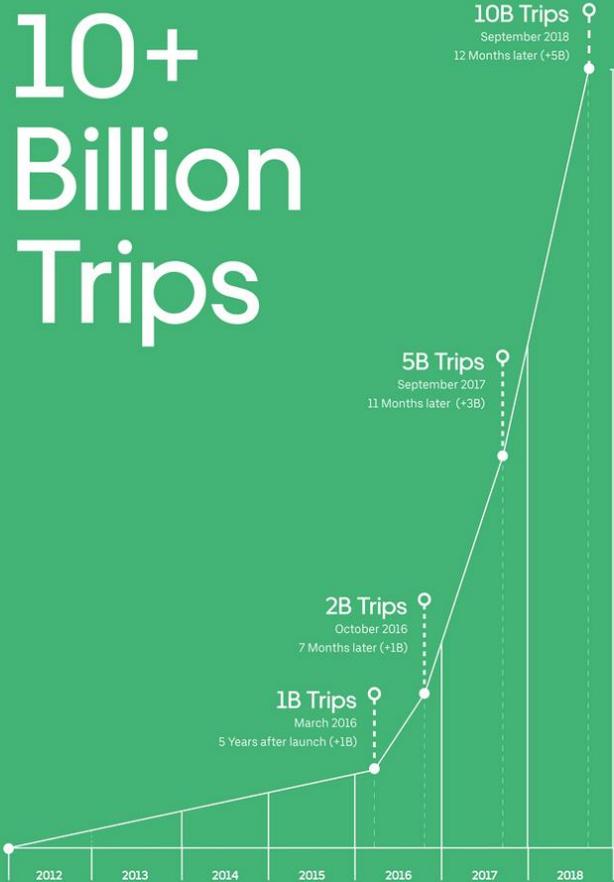
Volunteer Driver Insurance in the Age of Ridehailing



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Uber's Growth

Consistent with uptick in reports of insurance issues for volunteer drivers



Research Approach

- Survey of state laws pertaining to volunteer insurance, liability, livery, ridehailing
- Industry interviews
- Calls to insurance agents at 10 largest companies
- Formal solicitation to CEOs for clarification



Industry Interviews

- Volunteer transportation program managers
- Volunteer Insurance Services of CIMA Cos
- National Volunteer Transportation Center
- Cntr for Insurance Policy & Research
- Property Casualty Insurers Assoc. of Amer
- State insurance commissioners

Reviewed by

- Consumer Federation of America
- Windels Marx Lane & Mittendorf LLP



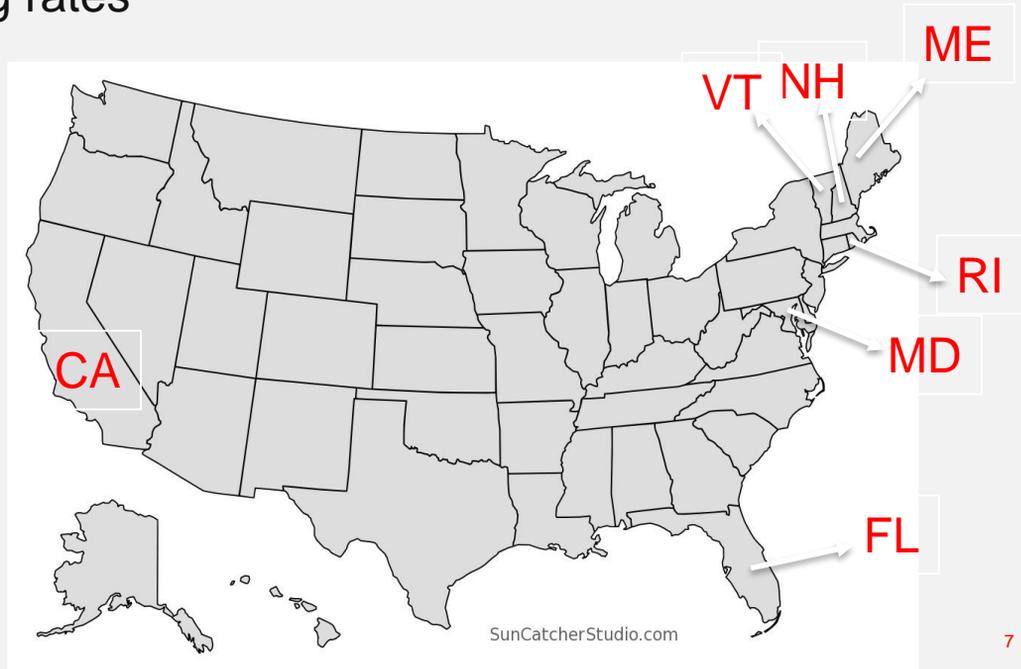
Findings from the survey of state laws and correspondence with state insurance commissioners

No. of States w/Statutes the Address Volunteer Driver Research Topics

| | |
|--|----|
| Insurance related to volunteer drivers | 15 |
| Prohibit insurance companies from denying or canceling insurance, imposing a surcharge, or increasing rates simply b/c the driver is a volunteer | 7 |
| Differentiate volunteer drivers from livery services | 2 |
| TNC laws that address volunteer drivers | 0 |
| Civil liability statutes that explicitly address volunteers | 38 |
| | |

Only 7 States Prohibit:

- Denying or canceling insurance
- Imposing a surcharge
- Increasing rates



Strong State Policy, Maine 1995

“An insurer may not refuse to issue motor vehicle liability insurance to an applicant solely because the applicant is a volunteer driver. An insurer may not impose a surcharge or otherwise increase the rate for a motor vehicle policy solely on the basis that the named insured, a member of the insured’s household or a person who customarily operates the insured’s vehicle is a volunteer driver

This section does not prohibit an insurer from refusing to renew, imposing a surcharge or otherwise raising the rate for a motor vehicle liability insurance policy based upon factors other than the volunteer status of the insured driver”

(24-A M.R.S. § 2902-F).

Civil Liability

Should “Good Samaritan Laws Extend to Volunteer Drivers?”

Civil Liability: Should “Good Samaritan Laws Extend to Volunteer Drivers?”

Volunteer driver immunity is in conflict with AARP policy regarding the right to redress. Consumers have the right to accessible, appropriate, and adequate redress, including the full range of legal remedies.



Cold Calls to Insurance Agents

Calls to Insurance Company Reps Revealed

- 6 of 10 agents said they would likely cover volunteer drivers under personal auto insurance policies, even if reimbursement provided. Of these,
 - One would charge a business use surcharge (not commercial policy)
 - Another would list the vehicle as a commuter vehicle
- 2 would cover if NO reimbursement for the driver (equated w/for-hire driver needing commercial policy)
- 2 would require a commercial policy even if no reimbursement received

What if nonprofit charges a fare?

- Only 1 agent felt that that would be immaterial to the insurance company, because the policy is a contract between the driver and the company.
- Murky for all other agents

“Kinda sounds like a rideshare” (meaning Uber)

What about nonprofits that use apps to match riders with volunteer drivers?

- Some TNC insurance policies define rideshare as providing prearranged transportation through an app for a fee.





Responses from Insurance Company CEOs

| | Covers? | Covers if driver receives reimbursement (mileage?) | Covers if nonprofit charges a fare? |
|-----------------|-------------|--|-------------------------------------|
| Allstate | ✓ | ✓ | ✓ |
| American Family | ✓ | ✓ | ✓ |
| Farmers | ✓ | ✓ | ✓ |
| Geico | No response | | |
| The Hartford | ✓ | ✓ | ✓ |
| Liberty Mutual | No response | | |
| Nationwide | ✓ | Not clarified | |
| Progressive | ✓ | ✓ | ✓ |
| State Farm | ✓ | ✓ | ✓ |
| Travelers | ✓ | ✓ | ✓ |
| USAA | ✓ | ✓ | ✓ |

Although a personal auto policy may ultimately be honored in the event of a crash or upheld in a court of law, the challenge of volunteer driver recruitment remains. Customers deal directly with insurance agents, not company CEOs. Recruitment challenges will continue to exist as long as agents provide inaccurate or ambiguous information to their customers.

The Problem Remains





Recommendations

Recommendations for State Legislators

- Prohibit insurance companies from denying or canceling insurance, imposing a surcharge, or increasing rates solely on the basis of serving as a volunteer driver.
- Ensure TNC laws and other sections of state code clearly define and distinguish among volunteer drivers, TNCs, and other for-hire service providers.
- Ensure that volunteer-provided transportation programs, including those that charge passenger fares, are excluded from for-hire transportation and livery laws.

Recommendations for the Insurance Industry

- Define and consistently apply terminology associated with TNCs and volunteer drivers.
- Manage risk with increased education and awareness among insurers, brokers, companies, and individual agents.





Appendix C. Model Liability Insurance Coverage Exclusions for TNC Drivers (Source: Insurance Services Office, 2018)

PART A – LIABILITY COVERAGE

EXCLUSIONS

A. We do not provide Liability Coverage for any “insured”:

5. For that “insured’s” liability arising out of the ownership or operation of a vehicle while it is being used as a public or livery conveyance. This includes but is not limited to any period of time a vehicle is being used by any “insured” who is logged into a “transportation network platform” as a driver, whether or not a passenger is “occupying” the vehicle.

This exclusion (A.5.) does not apply to:

- a. A share-the-expense car pool; or
- b. The ownership or operation of a vehicle while it is being used for volunteer or charitable purposes.

PART B – MEDICAL PAYMENTS COVERAGE

EXCLUSIONS

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

2. Sustained while “occupying” “your covered auto” when it is being used as a public or livery conveyance. This includes but is not limited to any period of time “your covered auto” is being used by any “insured” who is logged into a “transportation network platform” as a driver, whether or not a passenger is “occupying” the vehicle.

This exclusion (2.) does not apply:

- a. To a share-the-expense car pool; or
- b. While “your covered auto” is being used for volunteer or charitable purposes.

PART C – UNINSURED MOTORISTS COVERAGE

EXCLUSIONS

A. We do not provide Uninsured Motorists Coverage for “bodily injury” sustained:

2. While “occupying” “your covered auto” when it is being used as a public or livery conveyance. This includes but is not limited to any period of time “your covered auto” is being used by any “insured” who is logged into a “transportation network platform” as a driver, whether or not a passenger is “occupying” the vehicle.

This exclusion (B.2.) does not apply:

- a. To a share-the-expense car pool; or
- b. While “your covered auto” is being used for volunteer or charitable purposes.

PART D – COVERAGE FOR DAMAGE TO YOUR AUTO

EXCLUSIONS

We will not pay for:

1. Loss to “your covered auto” or any “non-owned auto” which occurs while it is being used as a public or livery conveyance. This includes but is not limited to any period of time “your covered auto” or any “non-owned auto” is being used by any person who is logged into a “transportation network platform” as a driver, whether or not a passenger is “occupying” the vehicle.

This exclusion (1.) does not apply:

- a. To a share-the-expense car pool; or
- b. While “your covered auto” or any “non-owned auto” is being used for volunteer or charitable purposes.

Recommendations for Nonprofits

- Purchase excess automobile liability for volunteer drivers.
- Establish routine safety protocols.
- Properly screen drivers and require them to complete a driver training course.





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