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**BEFORE THE PUBLIC UTILITIES COMMISSION OF
THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on Regulations)
related to Passenger Carriers, Ridesharing,)
and New Online-Enabled Transportation)
Services.)

Rulemaking 12-12-011

**COMMENTS TO ORDER INSTITUTING
RULEMAKING FILED ON BEHALF OF LUXOR CAB CO.
BY CHARLES RATHBONE**

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January 25, 2013

Order Instituting Rulemaking on)
Regulations Relating to Passenger)
Carriers, Ridesharing, and New Online-)
Enabled Transportation Services)
_____)

Docket No. R.12-12-011

COMMENTS TO ORDER INSTITUTING RULEMAKING
FILED ON BEHALF OF LUXOR CAB CO.
BY CHARLES RATHBONE

Including exhibits as follows:

Exhibit 1: Work-related homicide rates highest among cabbies, cops

Exhibit 2: Occupational homicides of California taxicab drivers

Exhibit 3: Tickengo - Socialize your ride

Exhibit 4: Unlicensed cabdriver shot dead, police say

Exhibit 5: Chico Cab Driver Recounts Road Rage Shooting

Exhibit 6: Sharing Economy Calls For Insurance Innovation

Comments of Luxor Cab on Rulemaking R.12-12-011 Re: Passenger Carriers, Ridesharing, and New Online- Enabled Transportation Services

**PUBLIC UTILITIES COMMISSION
MAILROOM**

JAN 25 2013

When Luxor Cab began offering taxi service in 1928, passengers could summon a taxi by calling a telephone located at a cab stand. The first driver in line would answer the phone and then go pick up the passenger. As phones became more common, we hired call takers and dispatchers, and installed two-way radios in the cars. Later, passengers adopted cell phones and we added computerized dispatch. In 2008 we embraced e-hailing technology by partnering with TaxiMagic.

While the technology for summoning a cab has changed, the underlying service remains the same. And so too is the need for operators to comply with regulations that protect the public safety.

It is tremendously frustrating for licensed taxicab companies to see unlicensed companies operating in open defiance of laws with apparent impunity. We incur large expense for insurance, vehicle maintenance, compliance with inspections and many other requirements. We must prove the accuracy of our meters and can only hire drivers who meet stringent training and licensing requirements. Direct competitors such as Uber, Lyft and Sidecar act as if none of the above applies to them. Their business practices are opaque while ours are regulated and required to be transparent.

We look forward to rules that place Uber, Sidecar, Lyft and others clearly within the realm of regulated for-hire passenger transportation.

3.1 Jurisdiction

How does the Commission's existing jurisdiction apply to businesses like Uber, Sidecar and Lyft and the drivers employed or utilized by these entities?

These business should be regulated the same as all other passenger carriers. The presence of new technology for summoning a car does not in any way change the nature of the businesses that they are engaged in. E-hailing technology does present new challenges for protecting passenger privacy and the Commission may wish to establish rules in accordance with the Attorney General's recent suggestions for privacy in mobile apps.

3.2 Safety

What data currently exists, and what data sets should be developed to inform the Commission's risk assessment?

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Taxicab drivers have the highest risk of occupational homicide of all US occupations. That is why taxi regulators throughout California require safety equipment such as bullet-resistant partitions and digital security cameras, as well as crime-prevention training for drivers.

Unregulated rideshare operators invite drivers, often naïve young people, to enter taxi-like service without training or safety equipment. That is unprofessional and irresponsible in the extreme, and will inevitably lead to preventable homicides. Rideshare operators point to their apps and to a relatively cash-free work environment as crime prevention measures. However experienced taxi operators know that many violent work-related crimes arise from non-robbery motives such as ethnic tensions, intoxication, road rage, fare disputes and sexual assault.

To reduce risk of violent crime against drivers, taxi-like services such as Lyft, Sidecar and Uber should be subject to the same taxi regulations as licensed operators.

Attached in support of the above are the following documents:

1. Bureau of Labor Statistics article “Work-related homicide rates highest among cabbies, cops.” April 2000 in the BLS publication *The Editor’s Desk*
2. List of occupational homicides of taxicab drivers in California 1990-2012 from www.taxi-library.org
3. Screenshot of a Tickengo web ad directed to young drivers, January 10, 2013. This website does not even mention the risk of crime faced by for-hire drivers.
4. San Francisco Chronicle April 13, 2007 article “Unlicensed cabdriver shot dead, police say.” The 2007 murder in an unlicensed cab is the only murder of a San Francisco cab driver since security cameras were required in licensed cabs in 2003.
5. KRCR-TV news report January 23, 2013 “Chico Cab Driver Recounts Road Rage Shooting.” This recent incident, which resulted in a passenger being shot, is typical of non-robbery violent crimes against for-hire drivers.

Is public safety enhanced when drivers and passengers rely on reviews to avoid “bad apples?”

Ride hailing apps do the same thing that telephone-based taxicab dispatchers have done for decades; they obtain basic identifying information about potential customers. Location, name and telephone numbers assist in identifying riders if a crime occurs, and deter riders from engaging in violent activity in the first place.

However, neither local regulators nor taxi operators regard such information as a responsible substitute for proven crime-preventive measures such as partitions, security cameras and training.

3.3 Ridesharing

Should the Commission recommend a broader or narrower definition of ridesharing than that contained in the California Vehicle Code?

The definition is adequate. What is lacking is compliance with the regulations by unlicensed for-hire carriers such as Lyft, Sidecar and Uber.

Is there a difference between a driver who transports passengers by motor vehicle for *de minimis* compensation, and a driver who transports passengers by motor vehicle for a living?

The difference is that one works as a volunteer while the other works as a professional. A higher standard is expected of professional drivers because the safety of many passengers, drivers and other road users are at stake. Professional drivers are exposed to more risk because they work more hours. That is why there must be training and proper outfitting of the vehicle.

Does legitimate ridesharing include the transportation of a passenger on a trip the driver was not otherwise planning to take?

No. It is the very nature of taxicab service that the ride is offered on demand and in accordance with the passenger's desired destination. Unlicensed for-hire carriers such as Lyft and Sidecar offer on-demand service that is not incidental to a trip that the driver would otherwise have taken. For that reason, the service is not legitimate ridesharing.

Should the Commission set a minimum level of compensation before regulating these new transportation business models as passenger carriers whether for the drivers or the carriers? If so, how should the Commission determine the appropriate level of compensation?

No. The amount of compensation should not determine the need for compliance with regulations. Rather it is the nature of the service that ought to be determinative.

3.4 Transportation Access

The Commission seeks comment on the ways that safety regulations may enhance or impede public access to the roadways.

Unlicensed for-hire carriers such as Uber, Lyft and Sidecar do not invest in safety equipment and crime-prevention training for drivers. The carriers and their drivers try to compensate for the lack of professional safety measures by cherry-picking the customers

whom they believe are safest to convey. The result is *de facto* red-lining of low-income neighborhoods and discrimination against customers based on drivers' profiling that may be little more than stereotyping of ethnicity or disability. Such practices are illegal for licensed operators because they have the effect of reducing public access to the roadways.

3.5 Insurance

Has the insurance industry expressed an opinion on covering private vehicles used to transport passengers for compensation? Are these vehicles covered when providing transportation of passengers for hire?

The attached article "Sharing Economy Calls For Insurance Innovation" was published in the online Insurance Journal. On page 4, the article quotes Peter Moraga of the Insurance Network of California as follows:

"Our members are reporting that because AB1871 stipulates what can and can't be done, they've had to adjust their policies to specifically exclude any claim arising during the car's sharing," he said. "So where that may not have been clearly spelled out in the policy, some of our members have now added language to define 'car sharing' parameters for claims accepted on the auto."

Clearly, insurers want to protect themselves from commercial for-hire transportation liabilities masquerading as personal car use.

Our own commercial insurer informs us that a personal car used for hire must have either a commercial endorsement, or an endorsement stating that an umbrella policy is provided by a for-hire carrier. Lacking such an endorsement, a claims coverage question will arise when a private car used for on-demand "rideshare" service such as Lyft or Sidecar is involved in an accident. In short, it is not at all clear that private car insurance will cover claims by injured rideshare passengers or others.

Is the public adequately protected when drivers arranged through these new companies may only be covered at the state's minimum levels?

No because liabilities can easily be in the millions of dollars, far more than required minimums. Most California taxi operators have at least one million in coverage.

Is it an appropriate criterion [vehicle owner does not earn more than the annual cost of owning the vehicle] for determining whether vehicles used in businesses like Uber, Lyft and Sidecar have an effect on public safety or transportation access?

Again it is the nature of the services provided that should be determinative, not a dollar amount of compensation. To do otherwise is to invite amateurs into a high-risk profession.

Submitted January 25, 2013

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Charles Rathbone 1/25/13

TED: The Editor's Desk

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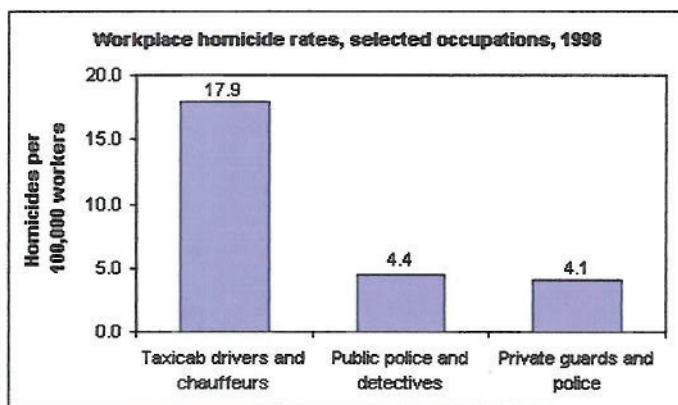
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Work-related homicide rates highest among cabbies, cops

APRIL 05, 2000

Taxicab drivers and chauffeurs face the highest on-the-job homicide rate of any occupation. In 1998, there were 17.9 homicides per 100,000 workers in these occupations, or about 36 times the risk among all employed persons.



[Chart data—TXT]

Public police and detectives suffered the second-highest occupational fatality rate from homicide, 4.4 fatalities per 100,000 workers. Homicides led all other causes of death among police in the 1992-98 period, accounting for almost half of all their fatalities.

The rate of fatalities among private police was 4.1 per 100,000; this was not significantly different from the rate among public police. Their similar risk reflects the similarities of duties.

These data are products of the [Census of Fatal Occupational Injuries](#). Learn more about workplace homicides in "Work-related Homicides: The Facts" (PDF 76K), by Eric F. Sygnatur and Guy A. Toscano in the Spring 2000 issue of *Compensation and Working Conditions*.

RELATED SUBJECTS [Occupations](#) [Occupational Safety and Health](#)

SUGGESTED CITATION

Bureau of Labor Statistics, U.S. Department of Labor, *The Editor's Desk*, Work-related homicide rates highest among cabbies, cops <http://www.bls.gov/opub/ted/2000/apr/wk1/art03.htm> (visited January 24, 2013).

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Exhibit # 1

Occupational homicides of California taxicab drivers

1990 San Diego, Leonard Brumlow
1990 Los Angeles, Stanley R. Kolsky
1990 Alameda, Daniel McDermott
1990 Watsonville, Tom Masters
1991 Los Angeles, Titus Imaku
1991 Los Angeles, Christopher Nwankpele
1991 Los Angeles, Ume Onyeanusi
1991 San Diego, David Brown
1991 Long Beach, Jeno Zoltan Koncz
1991 San Francisco, Andrew Lee Scott
1992 Encanto, Jafar Barzanjy
1992 San Francisco, Parminder-pal Singh
1992 San Diego, Jackson Jones
1992 Fresno, John Singh
1992 San Francisco, Richard Harcos
1992 Bakersfield, Kenneth Ray Stout
1993 Richmond, David Hayes
1993 San Mateo, Thomas John Simones II
1994 Fresno, Jasbir Singh Chahal
1994 Oakland, Derrick Wadibia
1994 Los Angeles, James Reavis
1995 El Monte, Rodolfo Castaneda
1995 Stockton, Paul Hubbard
1997 West Covina, Michael Miyada
1997 San Bernardino, Frank Charles Hardt
1997 San Francisco, Daljeet Singh Ghotra
1998 San Diego, Abdinur Abulahi Dahir
1998 San Diego, Gaim Weldeghiorgis
1998 San Francisco, Gennady Penskoj
1998 Fresno, Eliseo Gonzales
1998 Sacramento, Robert William Peters
1999 San Diego, Sherman Jennings Jr.
1999 San Francisco, Munther Salman

Exhibit #2

1999 Los Angeles, James Reed
1999 Hollywood, Gerardo Jimenez
1999 Los Angeles, Martin Enrique Norman
1999 Los Angeles, Jose Reyes Benitez
2000 Palmdale, Crystal Angelica Stahl
2000 Los Angeles, Andres Dominguez
2000 Los Angeles, Victor Henderson
2000 San Jose, Daljit Singh
2001 Los Angeles, David Solorzano
2001 Los Angeles, Hak Choon Chun
2001 Los Angeles, Keum Sik Kim
2002 Los Angeles, Rosel Ramon Castro
2002 San Francisco, Sukhpal Singh Sodhi
2003 Fresno, Rumualdo Arreola Estrada
2003 Anaheim, Moriumi Shimomura
2003 Whittier, Placido Burgos
2003 Richmond, Gurpreet Singh
2003 Indio, Carlos Cardona
2003 Redwood City, Davinder Singh
2003 Santa Rosa, Daniel Newell
2004 Stockton, Chandrika Dip
2004 Baldwin Park, Manuel Antonio Arevalo
2005 Riverside County, James Burrows
2005 Richmond, Gurpartap Singh
2006 Los Angeles, Pablo Vidal Montes
2006 Lancaster, Edward Sweatt
2006 Richmond, Musharaf Poswal
2007 San Francisco, Wai Keung (John) Tsang
2007 Fullerton, Bernard Ngwanguma
2007 Lakeport, Joe Womachka
2007 Boyle Heights, Miguel Reyes Morales
2008 Boyle Heights, Andres Delamadrid
2009 Fresno, Jose Jesus Martinez
2009 East Palo Alto, Derrick Earl Powell Jr.
2010 Lynwood, Erasmo Amaral

2010 Sacramento, James Walker
2011 Stockton, Luis Palma
2011 La Jolla, Mir Sadat Sahou
2011 San Diego, Jalaludin Hamrah

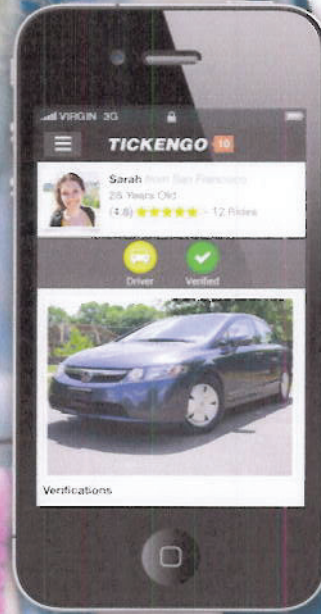
Source: www.taxi-library.org/murdrate.htm

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- 3 Your Driver Comes to You**
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Rider Stories



Karin got a ride to the airport.

Phoenix, AZ

"It went well, the driver was early. She was considerate, carried my bags and provided me with a bottle of water. It was a less expensive option - in my area an airport ride costs \$35.00 - my Tickengo ride cost me \$15.00"



Janette got a ride to an appointment.

Boston, MA

"There was no public transport available for where I needed to go. I loved how quickly someone picked up my request. The process is pretty smooth."



John got a ride to the gym.

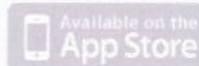
San Rafael, CA

"Sometimes it's impossible to get a cab and they sometimes don't find my address even when I call one. Tickengo is less expensive and it's nice to be able to chat with the person who drives."

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- Get rides from great neighbors you never knew

Tickengo On the Go



Trust & Safety

We work hard to make our community a trustworthy place. Check out the [Trust & Safety Center](#) for more information.



Exhibit #3

SAN FRANCISCO / Unlicensed cabdriver shot dead, police say

Jaxon Van Derbeken, Chronicle Staff Writer
Published 4:00 am, Friday, April 13, 2007

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A part-time unlicensed cabdriver from San Francisco was shot to death Wednesday night in what police believe may have been an attempted robbery or a dispute with a customer, authorities said Thursday.

The victim, identified as Wai Keung "John" Tsang, 43, was apparently working as a driver at the time he was shot at 11:25 p.m. on Santiago Street near

30th Avenue in the Sunset District.

After being hit, Tsang continued driving and crashed into the garage of a home at Santiago and 29th Avenue, police said. He hit a water heater, which apparently touched off a fire, although Tsang was probably already dead when the blaze started, police said.

Tsang worked as an unlicensed driver as part of an underground network of unauthorized cabs in the Sunset, investigators believe.

No one has come forward to say they witnessed the crime, police said. While investigators do not know what the motive was for Tsang's killing, he did have money on him at the time of his death, police said.

Tsang had been cited by the city for being a "pirate" cabdriver, authorities said. Those drivers are typically unable to earn one of the 1,500 medallions issued to licensed cabs in the city.

Peter Tsang said his brother lived on 44th Avenue in the Sunset with his mother and an older brother. "He came here in 1990 from Hong Kong," his brother said. "He was a driver. That's how he made money for a living."

Wai Keung Tsang had also been a waiter, but had been driving for the past two years.

Photo Galleries



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Peter Tsang did not know any details about his brother's driving business or the shooting.

"We don't yet know what happened. It's still under investigation," Peter Tsang said.

The brother said Tsang had differences with family members, some of whom thought he smoked too much. Others were upset that he did not pay back loans. In 2006, Toyota credit sued him, and his leased Toyota Echo was repossessed after he incurred a debt of \$7,000.

His family said that while Tsang may have lacked common sense with money, he was popular with his circle of friends, who also drove for a living.

"He liked to drive, and he loved Chinese music," Peter Tsang said. "He loved to listen to his friends. He didn't listen to his family."

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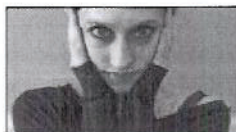
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Chico Cab Driver Recounts Road Rage Shooting



By [Tyler May, tmay@krcrtv.com](mailto:tmay@krcrtv.com)

POSTED: 6:11 PM Jan 23 2013 UPDATED: 6:46 PM Jan 23 2013



CHICO, Calif. -

Ed Ort was the one behind the wheel when the bullets went flying while he was driving a couple home in Chico.

Ort said he did not expect what happened to him Saturday when he showed up for work that day.

Around 1:15 on Sunday morning, Ort picked up a couple right outside of Lassals on Broadway.

"This was a typical night, nothing too exciting, very small line out [there]," said Ort.

As he was driving the couple home, Ort said nothing was out of the ordinary until he passed a truck on 4th St.

He said the driver of the truck seemed to think Ort had cut him off and started to follow his cab down main street.

That's when Ort said he got worried. He stayed on the right side of the road on the Esplanade to make a quick getaway. Ort decided 3rd Ave.

was the best choice.

"I didn't even get in the turn lane. I barely made this corner. I don't know how he made that corner," said Ort.

Once he went down Third Ave., Ort said shots fired.

"And right here...Bam," shouted Ort.

Ort wasn't hit, but he said the 25-year-old man in the back seat of the cab was hit in the ear. The woman was shot in the neck. Ort sped off running three stop signs. He reached speeds of 90 miles per hour to get his passengers to Enloe Medical Center.

He said he is a little nervous for this weekend.

"Maybe I'm just in denial about it because I need the money and need to work," said Ort.

Chico Police are still working on gathering new information about the shooting.

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Exhibit #5

View this article online: <http://www.insurancejournal.com/magazines/features/2012/03/05/238146.htm>

Sharing Economy Calls For Insurance Innovation

How Insurance Helped Getaround Get Going

Can technology positively impact a billion people in just 10 years? Possibly, if insurance is available.

Consider taking a low-use personal automobile — which might sit idle most of the time — and making it available to someone else in a community who needs a car.

That's what Jessica Scorpio was thinking when she helped launch Getaround.com, a peer-to-peer car sharing company that allows participating car owners to share their vehicles to offset the high cost of ownership while making a positive impact on the environment.

Scorpio, co-founder and director of marketing, says the idea for Getaround spawned from her graduate studies project as a member of the Energy Team Project in 2009 at Singularity University, a Mountain View, Calif.-based educational institution aimed at advancing technologies to address humanity's grand challenges.

"We were challenged to come up with a new idea that could positively impact a billion people in 10 years," she said. "You have a car that sits idle 92 percent of the time; it serves its owner well, but it also is a really expensive asset that could be used more effectively."

Scorpio didn't expect people to stop driving completely anytime soon, but she saw an opportunity to create a marketplace that would connect car owners with other people in need of a car. Such a connection would provide a needed service but would also limit the number of cars on the road thereby reducing the carbon footprint.

The bonus: the car owner can make money off their asset, and other people can choose not to own a car.

But in order to make this innovative idea a reality, a few big problems had to be solved. One of those problems was finding insurance.

"We worked for about the first year to overcome the key challenges. One was insurance and the other was technology," Scorpio said. "We felt like providing insurance was really key."

Other car sharing networks, such as Cambridge, Mass.-based Zipcar, which provides its members with access to shared vehicles in urban areas, have had some success. But Getaround's business model would be different.

"Zipcar's done a really great job of getting awareness for car sharing, but they're very limited in where they can operate," Scorpio said. That's because Zipcar owns its fleet of vehicles, which Zipcar's members then share. "It can only operate in the densest urban areas, so there are tons of little cities and towns, and even the more suburban areas that want car sharing that will never be able to have car sharing with the fleet model," Scorpio said.

Scorpio said that while it had its advantages, Getaround's model of using a peer-to-peer car sharing approach rather than a fleet of company-owned vehicles made securing insurance difficult.

“I think we were a little early in trying to get something like this developed,” she said. “We had to do a lot of education.”

Securing insurance for a start-up company can be tough even without Getaround’s unique peer-to-peer car sharing exposure. But getting a new type of policy created that would cover the unusual risks of car sharing was really, really difficult, she said.

“We had to be very scrappy, very creative even in reaching the right people, so we actually cold called insurance VPs,” Scorpio said.

That’s right — cold calling insurance brokers and carriers to find coverage. And sometimes it worked.

“We got through sometimes,” she said. “It was really interesting ... The VP of some major insurance company takes 20 minutes to talk to you. And at the end he says, ‘Well, call me back when you have two years of experience.’ And we’re like, ‘Oh, we will,’” she said.

The Sharing Economy Trend

While peer-to-peer car sharing remains in its infancy and is primarily found in San Francisco and a few other places, peer-to-peer home sharing firms have had more far-reaching success.

San Francisco-based Airbnb claims that it has booked more than 5 million accommodations worldwide since August 2008. It operates offices in nine countries and lists peer-to-peer rental accommodations in more than 19,000 cities and 192 countries.

But the sharing economy is making more than cars and homes available.

People in need of a lawn mower or chain saw might find a friendly neighbor to borrow (or rent) from on social networking sites such as HeyNeighbor.com.

Or people who need an errand run can find a person willing to do the job for a few bucks at TaskRabbit.com.

Want to save on gas? In today’s sharing economy consumers can access car-pooling social networking sites like Zimride.com, or rent bicycles to ride from Rentcycle.com.

The sharing economy doesn’t seem to be going away any time soon. According to a national study, 60 percent of people say they find the concept of sharing appealing, and 71 percent of people who have used shareable products expect to continue to do so.

“This trend is no longer emerging, it’s here,” said Lynn Franz, of Campbell Mithun, the Minneapolis-based advertising agency that commissioned the study.

This year looks to be a good one for the sharing economy and start-ups ready for growth.

Ron Conway, special adviser to SV Angel, recently identified the sharing economy as 2012’s hot area for angel investment in *The Economist*.

Given the growth in sharing-related options and new businesses, nurturing an insurance market ready to respond will be key, says one broker who was instrumental in developing an insurance program for Getaround.

“I personally believe that this is a very large trend,” said Julie Davis, vice president, brokerage and social media director for Heffernan Insurance Brokers based in San Francisco. The trend has become so commonplace that it’s forcing a change within the insurance industry, Davis says.

“The insurance industry is very focused on insurance policies where people own an asset, and they’re not focused on, ‘How do I actually cover something where the ownership and the maintenance might be a little bit different?’ Insurance carriers are trying to struggle with, ‘How do I make this work? How do I do this?’” she said.

Creating an Insurance Market

Scorpio knew that for Getaround to be a success she had to find the right insurance partners. She found that in Heffernan's Davis.

"We were lucky enough to find Julie at that time and she's just been our guardian angel since," Scorpio said. "I think it's about really finding the right broker with the right connections and vision when you're doing something innovative."

After all, it takes an innovative insurance program to serve the needs of an innovative company like Getaround.

After initially trying to find insurance through large national retail brokers, Getaround found Davis was a breath of fresh air.

"She really looked at it the right way, and I felt like a smaller firm could really help us because we got more attention. She was able to pull some personal connections and get the ear from people who otherwise would not really have wanted to listen," Scorpio said.

Peer-to-Peer Coverage Challenges

Getting someone in the insurance industry to listen wasn't easy.

"Frankly, we beat the market to death," Davis said. "I can't even begin to tell you how many declinations we had." Davis soon found out that for peer-to-peer car sharing nothing was simple when it came to insurance.

"The biggest challenge that you have surrounds a couple of things: First, you have the issue of ownership. You have the issue of maintenance. You have the user agreements, the contractual liability," Davis said. "Then, specifically, whenever you're talking about car sharing, the one additional item that comes into play is legislation."

That's because one of the biggest obstacles in peer-to-peer car sharing liability centers on the car owner's personal auto policy coverage and whether or not the vehicle is considered a commercial vehicle due to the nature of car sharing for a rental fee.

"The crux of the issue is that standard language in a personal auto policy usually contains an exclusion if you are renting the car out," said Robert Passmore, senior director personal lines policy for the Property Casualty Insurers Association of America.

Personal auto policies typically exclude coverage when vehicles are used as a livery (taxi or limos), or for rental car services, he said. "Those are commercial uses of a motor vehicle and typically excluded under a personal auto policy."

Legislation passed in California in 2010, and then in Oregon in 2011, has resolved ambiguity for some peer-to-peer car sharing liability issues. Similar pending legislation in Washington aims to do the same this year.

The legislation does two things, according to Passmore. "One, it prevents consumers who are sharing their cars from having to go and get a commercial auto policy. It also delineates who's responsible for what, basically that the car sharing company's insurance is going to be responsible for anything that happens while the vehicle is in possession of the car sharing company," he said.

"The important thing is that if you are getting involved in one of these car sharing programs you want to make sure that your exposures are covered under whatever policy is being provided by the car sharing organization," Passmore said.

In California, the legislation (AB 1871) also prevents a personal auto insurer from altering the policy because the owner is participating in a car sharing program, says Peter Moraga, spokesperson for the Insurance Information Network of California. In other words, a personal auto insured cannot be non-renewed or charged

a higher rate just because they are participating in car sharing.

The law, which insurers helped craft, has brought about changes to personal auto policies in California, he said.

“Our members are reporting that because AB 1871 stipulates what can and can’t be done, they’ve had to adjust their policies to specifically exclude any claim arising during the car’s sharing,” he said. “So where that may not have been clearly spelled out in the policy, some of our members have now added language to define ‘car sharing’ parameters for claims accepted on the auto.”

The car sharing economy likely will drive legislative changes in other states, too, as companies like Getaround expand.

States will have to address the issue, Passmore said, “because if an accident occurs you can probably expect that the plaintiffs will go after everyone, any potential sources of recovery.”

In his view, personal auto insurers will see car sharing as an unfavorable exposure even if they are protected under legislation like AB 1871.

“In effect you are renting out your car and that is typically excluded,” Passmore said. “So yes, it is considered an unfavorable exposure because you don’t know who is driving the car.”

Even so, personal auto insurers don’t seem to be making any decisions just yet.

“We haven’t seen much impact with insurers yet,” Moraga said. However, he added that so far insurers have received few inquiries from policyholders about car sharing liability issues, but as the sharing economy evolves that may change.

“This is such a new thing,” he said. “Like any new thing it takes time before it’s actually tested.”

Passmore agrees that insurers have yet to respond in a big way, but he says the question really lies in what happens from here.

Anybody can name anybody in a lawsuit, he says. “I haven’t heard of any big cases or court decisions but it’s also a pretty new program — and it only takes one.”

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