

Commerce Department Offers Tips for Minnesotans Interested in New Ride-Sharing Services

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For Immediate Release:

SAINT PAUL, MN – Cars with pink mustaches and new ride-share phone apps are sparking interest in the Twin Cities, as well as other cities across the country. Before hitting the road, the Minnesota Department of Commerce is offering the following consumer information to drivers and customers to explain potential insurance issues for Minnesotans interested in participating in ridesharing or transportation networking company (TNC) services.

What are TNCs?

Transportation networking companies (TNCs) are companies that use websites or apps to connect passengers with drivers that use their personal vehicles to transport customers for a fee.

What should I know about TNCs and insurance issues?

The Commerce Department wants Minnesotans to know that there may be gaps in auto insurance coverage for both the drivers and passengers using TNCs. There may not be coverage for an accident because most personal auto insurance policies contain exclusions when drivers use their personal cars for a commercial (business) purpose. For example, if you participate in a regular, non-business car pool, you would be covered. If you charge passengers a fee, you may not be covered if you get into an accident. Also, there are questions regarding the limitations of commercial insurance coverage provided by the TNC – for example, when does commercial insurance cover drivers, and whether it includes medical payment coverage, comprehensive, collision, uninsured and underinsured motorist (UM/UIM) coverage, or other types of coverage that are needed to ensure that TNC drivers, passengers, and pedestrians are fully covered.

Tips for potential TNC Drivers:

- Consider checking both your own personal auto insurance policy, and make sure you understand the commercial insurance policy held by the TNC.
- Contact your insurance agent, broker or company to identify potential gaps in your personal automobile insurance policy or the TNCs' policy. In addition, prior to becoming a driver, check with your agent, broker, or company to ensure your personal coverage would remain if you decided to drive for a TNC.
- Make sure the commercial automobile insurance policy held by the TNC includes coverage for bodily injury or property damage to you and others, and/or for damage caused by an uninsured or underinsured motorist before and during the time you are designated to drive passengers for payment.

"Auto insurance protects passengers, drivers, and pedestrians from the financial costs of an accident or injury, provided that you have proper auto insurance coverage," said Commerce Commissioner Mike Rothman. "Finding out after-the-fact that you have gaps in coverage can mean serious financial devastation. Take the steps now, ahead of time, to ensure you have the coverage you need."

Commerce is here to help.

If you have additional questions about your insurance or believe you have been a victim of a fraud or scam, call the Minnesota Department of Commerce Consumer Response Team at 651-539-1600 or 800-657-3602 in Greater Minnesota.