



THINK SAFETY



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Ride sharing—Best practices

Over the past few years, transportation network services such as ride sharing and commodity logistics services have quickly grown into a multibillion-dollar-a-year industry. In 2015, one popular ride sharing service reported an estimated value of \$50 billion. Commodity logistics services have actually been around since the first pizza was delivered, but with the advent of smart phone apps, the service has quickly grown to efficiently deliver people, products and packages, locally and nationally. Almost anybody with a smartphone and a car, truck or van, can make a full-time living in the transportation network service or they can supplement their existing income during off-hours from their day-to-day job.



To get started, a driver will need to apply to the transportation service. If accepted, they will be authorized to use the services, tapping into their connections via the Internet. Whenever the individual wants to work, they log in to the transportation or delivery network platform and wait for an order to come through. They can pass on the order or accept it. If they accept the order, they will drive to the agreed upon pickup site and then drive the person or package to the agreed upon destination. Even the transfer of funds is electronic, so there is no cash involved in the transaction.

Normally, a driver will use their own personal vehicle for this service; however, most personal auto insurance policies exclude coverage when a personal vehicle is used for livery services or business purposes. Commercial or business auto insurance policies vary by carrier and this type of auto policy may actually cover the risk. If you have questions regarding what is or is not excluded on your commercial auto insurance policy, do not hesitate to contact your independent insurance agent.

If your business auto policy does not exclude coverage for livery services and an employee uses a company-provided vehicle for transportation network services, your business could be liable should an accident occur. This coverage exists whether you do or do not know of the employee's personal use of the company vehicle. Therefore, it is recommended that you have a statement in your vehicle use policy that prohibits employees from using a company-owned or company-provided vehicle, for personal reasons, including transportation network services and moonlighting. Employees should also be prohibited from being logged into a transportation network platform while on duty for your company and/or while driving a company-provided vehicle.

Due to the rapid growth of this industry, there is a considerable amount of uncertainty concerning the regulatory and liability requirements for transportation network services. Laws and insurance regulations vary by state and can even be different in large metropolitan areas. When an accident occurs, specific insurance coverage levels may or may not apply due to the lack of court precedence, to date. The various risk and liability parameters will be defined as cases are filed and legal decisions are made.

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