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Commissioner Donelon Urges Potential Rideshare Drivers to Review Auto Insurance Coverage before Signing on

Louisiana's Commissioner of Insurance Jim Donelon is joining a number of other states in issuing a consumer alert to potential drivers of new transportation network companies (TNCs) or rideshare services. These companies offer mobile applications (apps) that give passengers access to transportation services that are provided by people who register to serve as drivers for these networks.

The drivers who are hired to participate in TNCs are using their personal cars to transport passengers. The companies regard the hired drivers as third party transportation providers or vehicle operators.

Commissioner Donelon is advising individuals to do their homework before signing on to serve as drivers with a transportation network. "Drivers should review their policies and talk with their agents regarding their participation in such programs prior to signing up," said Commissioner Donelon. "Virtually all personal auto insurance policies exclude coverage when personal vehicles are used to give rides for fees."

Whether consumers are the passengers of or the drivers for a TNC, Commissioner Donelon advises them to be aware of potential gaps in insurance coverage. For instance a potential driver may want to contact their insurance company and inquire about a commercial insurance policy. Potential drivers should verify the type of liability coverage they must have and the type of liability coverage that is already in place for the benefit of all parties who might sustain damages and injuries from accidents that occur while engaged in the use of the transportation services.

The LDI is aware of several transportation network companies that are actively doing business in various parts of the country and those TNCs that have expressed interest in operating in Louisiana. One company is currently operating within Baton Rouge. If you are a driver considering employment with a TNC and have questions, you are encouraged to contact your insurance provider or your agent.

About the Louisiana Department of Insurance: The Louisiana Department of Insurance works to improve competition in the state's insurance market while assisting individuals and businesses with the information and resources they need to be informed consumers of insurance. As a regulator, the LDI enforces the laws that provide a fair and stable marketplace and makes certain that insurers comply with the laws in place to protect policyholders. You can contact the LDI by calling 1-800-259-5300 or visiting www.ldi.la.gov.