Everything you need to know about ride hailing in NJ

Insurance is everything. Insurance is all around us from our homes, apartments and businesses to our cars. Insurance makes the world go round. Insurance is also nothing. How many times during a typical day do you think about insurance? If I had to hazard a guess, I’d say that number is close to zero. However, as the nice weather returns to the Northeast it might be time to think about insurance, at least for a few minutes especially if you plan on using transportation network company apps like Uber or Lyft this summer.

Whether you are driving for a TNC or simply riding as a passenger, it is important to be aware of the insurance implications of using this service while traveling around this summer. Typically a personal auto policy contains an exclusion of coverage when a person engages in a commercial activity with their vehicle, called a livery exclusion. This obviously creates a very serious issue as under normal circumstances the only coverage a person has when driving their vehicle is from their PAP.

The largest TNCs have responded to the livery exclusion in PAPs by providing coverage to TNC drivers while they transport passengers for a fee. In addition, many state legislatures have passed legislation requiring the TNC driver have certain coverage limits in place.

New Jersey requires that when a TNC driver is not engaged in a prearranged ride, they carry liability coverage in the amounts of at least $50,000 for death or bodily injury per person, $100,000 for death or bodily injury per incident and $25,000 for property damage. When a driver is engaged in a prearranged ride, those limits increase to at least $1,500,000 for death, bodily injury and property damage. A driver must also carry primary automobile insurance for medical payments benefits in an amount of at least $10,000 per person per incident, which only applies to and provides coverage for the benefit of the TNC driver.

Finally coverage for uninsured and underinsured motorist coverage must be provided in an amount of at least $1,500,000.

If you have questions about your coverage, give our agency a call. We’ll be happy to review your policy and ensure you have the proper coverage in place.