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Press Release

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Alaska Division of Insurance Issues a Consumer Guide for Those Alaskans Participating in Ridesharing Programs

October 3, 2014- As Transportation Networking Companies (TNCs), such as uberX, Lyft and Sidecar, become more popular and enter into the Alaska market, the Division of Insurance is issuing this consumer guide to provide tips for drivers and passengers who wish to participate in these types of programs.

What are TNCs?

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

Possible Insurance Issues when operating or using a TNC :

Alaskans should be aware there may be gaps in auto insurance coverage for both the driver and passenger using TNCs. As most personal auto insurance policies contain exclusions when drivers use their personal cars for a commercial (business) purpose the Division of Insurance encourages drivers who want to participate in the car-sharing programs to contact their insurer to find out what they need to do to ensure that they do not violate their policy.

Tips for Potential TNC Drivers:

- Check your own personal auto insurance policy, and make sure you see a copy of any commercial insurance policy held by the TNC to protect its drivers.
- Contact your insurance agent, broker or company to identify potential gaps in your personal automobile insurance policy and the TNCs policy. Let your insurance company know of your intent to participate in the program.
- Some TNC's may offer commercial insurance coverage, as a driver you should ensure you know when the insurance coverage is triggered and terminated.
- Make sure the commercial automobile insurance policy held by the TNC includes coverages required by law for bodily injury and property damage, or injuries caused by an uninsured or underinsured motorist.
- Be aware that any coverage to address these gaps should include the period before, and during, the times when you are designated to drive passengers.

- Be certain you understand which insurance policy (your personal auto or TNC commercial) provides what coverage and when that coverage is triggered.
- As a driver, be aware that if you are not acting as an employee of the TNC then you are required to obtain a State of Alaska business license prior to engaging in business activity. If the contracting business is a corporation, then corporate registration may also be required.

Tips for Potential TNC Passengers:

- Find out who would be responsible if they were injured and whether insurance coverage would be available.
- Contact the Alaska Division of Insurance at 800-INSURAK (800-467-8725) with questions.

Workers' Compensation

As a driver, if you are acting as an employee, make sure that your employer is providing workers' compensation coverage. If you are acting as an independent contractor for a TNC you will need to be responsible for your own worker's compensation policy.

Business Licensing & Corporate Registration

Any TNC operating as a business in the State of Alaska must obtain a business license and may need to register as a corporation in the state.

The Division of Insurance along with the Alcoholic Beverage Control Board, the Regulatory Commission of Alaska, the Division of Banking and Securities, and the Division of Corporations, Business and Professional Licensing are tasked with protecting consumers in Alaska. For additional information about DCCED and its agencies, please visit www.commerce.alaska.gov.