

# Gig economy drivers, including those for Uber and Lyft, need protection

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The proliferation of car services such as Uber and Lyft has created a large number of new businesses — mostly sole proprietorships — which have assumed liabilities they may not know about.

If drivers were considered employees of ride-sharing services, it wouldn't be a problem: the employer would be responsible for expenses and damages caused by the negligence of employees. But as independent contractors using their own cars to pick up customers using the ride-hailing smartphone apps, drivers take on liability.

If there are paying customers in the car at the time of an accident, Uber or Lyft insurance will cover any costs that the driver's personal insurance company doesn't pay, up to a limit of \$1.0 million. But Uber may refuse coverage if the accident is the driver's fault or for other reasons, in which case the driver may be forced to sue the ride-hailing company, even as it is being sued by accident victims.

If the gig driver has an accident while on call and waiting for a passenger, neither Uber nor Lyft will cover damage to the driver's car. What's worse, some insurance companies might balk at paying if they weren't aware that the driver was using the car for work.

As with any other car accident, victims are entitled to compensation for physical pain and impairment, mental anguish, medical and disability expenses, economic loss and punitive damages. If someone dies, the relatives can also file a wrongful death suit.

Ride-hail drivers should inform their insurance company of their gig work and make sure they have all the insurance coverage they need. Both ride-hail drivers and passengers should never just assume that the insurance companies will take care of everything after an accident.

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