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**For immediate release:** Sept. 19, 2014

## **Consumer Advisory: Think about insurance before participating in sharing economy**

The Department of Consumer and Business Services, Insurance Division advises Oregonians to consider their insurance needs when engaging in new apps and websites that facilitate car rides, vacation rentals, and other services – known as the “sharing economy.”

“When a new industry emerges, it often creates unique insurance situations,” said Insurance Commissioner Laura Cali. “Consumers should be aware that traditional insurance policies may not apply when participating in a new kind of business.”

Examples include transportation networking companies (TNCs), such as Uber, Lyft, and Sidecar, that offer smartphone apps to help connect drivers and passengers as an alternative to taxis. Drivers who participate use their personal vehicles to transport passengers for a fee. Other companies, such as Airbnb, allow people to list and book properties for rent through its website.

Here is what you need to consider before participating in these new endeavors:

### **Drivers of TNCs**

Personal insurance policies will not provide you with coverage if you drive for a TNC. Because you would be collecting a fee for driving another person, your personal insurance policy would not cover any damage or losses that occur. Before signing up to become a driver:

- Find out if the company has an insurance program. Make sure the commercial automobile insurance policy held by the TNC includes coverage for bodily injury and property damage to you and others before and during the time you are designated to drive passengers for payment.
- Review any agreement involving car-sharing or ridesharing. Seek legal counsel if needed.
- Call your insurance company or agent to discuss your options and whether you might want to consider a commercial insurance policy.

### **Passengers of TNCs**

Neither your personal auto policy nor the personal auto policy of the driver will protect you when you are riding in another vehicle for a fee. Before using a ride-sharing service:

- Ask the transportation company if it has coverage that will pay for your expenses in the event of an injury.
- Call your insurance company or agent to discuss your options.

### **Homeowners listing their home for rent**

Some insurance companies may provide coverage if you occasionally rent out a room, but making all or part of your home available for regular rental likely would be considered business use. Homeowner policies generally do not provide coverage for business use. If you are considering renting out your home through a service such as Airbnb:

- Check with your agent or insurance company if you're considering making all or part of your home available for rental on a regular basis. Your agent or customer service representative can explain how your current policy does or does not apply and any options available to you.
- Find out whether you can add to your coverage, or whether you have to buy a policy specifically designed for a landlord.

### **Consumers renting a room or home**

If you rent through a mobile app or website and there is damage to your belongings during your stay, your own homeowner or renter policy would apply similar to when you rent a hotel room.

If you have questions, the Insurance Division can help. You can reach the division's Consumer Advocacy Unit by calling 1-888-877-4894 (toll-free), emailing [cp.ins@state.or.us](mailto:cp.ins@state.or.us), or visiting [www.insurance.oregon.gov](http://www.insurance.oregon.gov).

The Insurance Division is part of the Department of Consumer and Business Services, Oregon's largest business regulatory and consumer protection agency. Visit <http://www.dCBS.oregon.gov>.

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