# Progressive is Rolling Out TNC Coverage in Pennsylvania

By Ray Lehmann | Right Street Blog | March 11, 2015

Slowly but surely, more of the major U.S. auto insurers are rolling out custom products designed to cover the unique risks presented by the emerging market of transportation network companies like Uber and Lyft. Latest to the party is Progressive Corp., which is offering a pilot ridesharing program in Pennsylvania.

Like a similar policy GEICO is introducing in Virginia, the Progressive product is designed as an end-to-end solution, a commercial policy that would offer coverage whether or not a driver is on duty. Unlike GEICO's product, which is open to drivers for any TNC service, Progressive's will be limited to Lyft drivers, spokeswoman Erin Hendrick said.

"This is a commercial policy that provides insurance for Lyft drivers whether they're on duty or not, and replaces their personal auto policy," Hendrick said. "Currently, our personal auto insurance policies contain an exclusion in which coverage will not be afforded while a vehicle is used to carry persons or property for compensation or a fee."

According to SNL Financial data, Progressive in 2013 commanded 8.16 percent market share in Pennsylvania's private passenger auto market and 4.74 percent of the commercial auto market, ranking fifth-largest in both cases.

The news follows earlier product announcements by Farmers and USAA in Colorado and by National General Assurance Co.'s Metromile in California that they would begin offering coverage to TNC drivers. However, unlike the Progressive and Geico policies, those earlier policies are structured as personal insurance with specific riders and endorsements covering a limited slice of TNC activity: the period when a driver has his or her app activated and is available to take rides, but has not yet matched with a potential fare. Under regulations passed in both Colorado and California, TNCs themselves are responsible for providing commercial insurance from the moment a match is made until the driver deposits a fare at his or her destination. (In California, they must provide coverage during the so-called "Period 1″ if the driver is traveling in connection with TNC activity, but they face much lower policy limits that mirror those for personal insurance policies.)

The emergence of these new options should serve as a caution to regulators not to get too far ahead of the market when it comes to crafting regulatory solutions to the TNC "problem." A draft white paper authored by California Insurance Commissioner Dave Jones, for example, offers the recommendation that states should require TNCs to provide coverage even during the fuzzy period when an app is on, but no match has been made. Such recommendations appear to have been based on the assumption that personal insurers simply weren't interested in providing coverage, and commercial carriers wouldn't be able to craft affordable products. Even in these early days, the market is quite clearly proving those assumptions dead wrong.