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HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

July 2, 2014

Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P.O. Box 3265
Harrisburg, PA 17105-3265

Dear Commissioners:

I am writing to express concern with the insurance coverage gaps for drivers, passengers, and accident victims with the Lyft and Uber business models.

As you are aware, the House Insurance Committee held a public hearing on June23, 2014, and heard testimony from Yellow Cab, Lyft, and Uber. At that time, the committee members learned that there is some uncertainty as to whether or not there is insurance coverage for a driver and fare paying passenger in the event of an accident. While Yellow Cab X clearly explained who is covered and when coverage starts and stops; Lyft and Uber were unable to articulate the specifics of insurance coverage during use of the ride sharing service.

I understand that Lyft and Uber are providing excess insurance coverage, and relying on the driver's coverage to provide primary coverage. In reality, with the driver undertaking a commercial enterprise by providing rides to fare paying passengers, the livery exclusion in a driver's personal policy will be in effect to the detriment of the driver and passengers.

During the hearing, it was brought to the committee's attention that Lyft's and Uber's contractual agreements with their drivers further cloud the issues of insurance coverage. I am hopeful that the Pennsylvania Public Utility Commission will closely examine these agreements to ensure clarity as to who is providing coverage and which entity is covered. Specifically, clarity is needed regarding applicable coverage during these specific times: when a driver engages the app; while driving to pick-up destination, while transporting a passenger; and while driving home. Without requiring clarity now, drivers and accident victims will be required to pursue clarity through costly and lengthy litigation.

Also, the issue of background checks was discussed, and recognizing what your regulation currently requires, I would encourage you to consider continuing to require the

Pennsylvania Criminal History Check, and add that a Federal Bureau of Investigation criminal history clearance be required as part of the experimental service.

Thank you for your submission of written testimony and consideration of these concerns.

Sincerely,

Tina Pickett, Majority Chairman
House Insurance Committee

Cc: June Perry, Director
Legislative Affairs