

January 8, 2015

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Personal Auto Policy
Advisory Notice to Policyholders

Insurance Services Office (“ISO”) has prepared the attached optional Advisory Notice to Policyholders regarding potential issues associated with ride-sharing arrangements through transportation network companies (e.g., Uber and Lyft) and has authorized member companies of the Rate Bureau to use this notice on private passenger automobile policies issued in North Carolina. The use of this form or any other such notice is optional with member companies. Each member company is responsible for its own assessment of the issues involved, on the form of any notices issued to policyholders and on filing such notices with the North Carolina Department of Insurance. The Rate Bureau does not file such notices on behalf of member companies.

Please see that this circular is brought to the attention of interested personnel in your company.

Very truly yours,

F. Timothy Lucas

Personal Lines Manager

FTL:dms

Attachments

A-15-1

ADVISORY NOTICE TO POLICYHOLDERS REGARDING RIDE-SHARING

This is a Notice regarding your Personal Auto Policy. No coverage is provided by this Notice nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the Policy and this summary, **THE PROVISIONS OF YOUR PERSONAL AUTO POLICY SHALL PREVAIL.**

This Notice provides information concerning ride-sharing arrangements through Transportation Network Companies (TNCs) and the potential insurance implications for TNC drivers.

TNCs typically offer a ride-sharing service which uses smart-phone applications and other Internet-based platforms to connect passengers with drivers who use personal autos to provide transportation services for a donation or a fee.

Your policy's Liability Coverage contains an exclusion for an insured's liability arising out of the ownership or operation of a vehicle while it is being used as a public or livery conveyance. Similar exclusions also apply to Medical Payments Coverage, Uninsured Motorists Coverage and Coverage For Damage To Your Auto.

Generally implicit in the terms "public or livery conveyance" is the concept that the vehicle is being used for a commercial purpose which may involve a charge. That ride-sharing services are available to the general public as a conveyance for a charge, such as a donation or a fee, may suggest that such exposure falls within the scope of the "public or livery conveyance" exclusion.

You should:

- Review your Personal Auto Policy and any applicable TNC insurance policy carefully; and
- Contact your insurance agent or broker to discuss potential gaps in insurance coverage under your policy and the TNC policy which may arise while participating as a TNC driver.