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# Car Accident In Uber Vehicle?

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With the arrival of “ridesharing” mobile applications such as Uber and Lyft to the Raleigh-Durham area, consumers have access to easy Triangle travel but should be aware of potential risks and liability of the driver.

According to Uber’s website, when a consumer chooses to solicit a ride through “UberX,” the majority of the drivers are “rideshare drivers providing transportation with their personal vehicles.” While Uber requires these drivers to carry personal insurance policies, North Carolina’s standard personal automobile policy excludes coverage 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.”

Though North Carolina courts have not specifically defined “public or livery conveyance,” other jurisdictions hold that such term is synonymous with the operation of a taxicab, where the automobile is held out to the general public for carrying passengers for hire and used indiscriminately in transporting the public.[1] Given the business model of a company like Uber, it is likely that a North Carolina court would determine that the insured vehicle would be operating as a public or livery conveyance, such that insurance coverage would be excluded under the driver’s personal automobile policy.

North Carolina has dealt with this exclusion by subjecting taxicab companies to specific regulations concerning liability insurance coverage. These regulations ensure that the passengers being transported are sufficiently protected in the event of an accident. Presently, companies such as Uber are not subject to the same regulations, and its drivers are not required to be covered under a commercial policy, as are taxicab drivers.

Where the Uber driver’s personal policy is not available for any reason, however, Uber does voluntarily provide its drivers with a commercial insurance policy that “covers drivers’ liability from the time a driver accepts a trip request through the app until the completion of the trip.” Additionally, where the driver is available for service, but between trips, Uber provides a contingent policy that applies only if the driver’s personal policy completely declines or pays zero.

Many different factual scenarios can be imagined, however, where both the driver’s personal policy and Uber’s commercial policy would decline coverage. In such a situation, an innocent victim would potentially be forced to pursue litigation and navigate the tedious waters of insurance coverage and the Financial Responsibility Act in order to be appropriately compensated for his or her damages. While companies such as Uber may differ slightly from traditional taxicabs, North Carolina should examine the business models to ensure that innocent victims and consumers are sufficiently protected in the event of an accident.

**About the author:** David’s practice focuses on the field of complex civil litigation, with an emphasis on the defense of trucking and transportation, product liability, and insurance defense cases. For questions about this article, please

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[1] Pender v. U.S., 866 F.Supp. 1129, 1136 (N.D.Ind. 1994).

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