

Thinking of Using Your Car to Make Money?



To Our Valued Customers—

In uncertain economic times many of us look for new and unique ways to supplement our income. One increasingly popular way to make money is by using your car. BUT, before you put your personal car to work for you, you need to know if your current insurance policy will cover what you are doing with your car.

Some examples of how your car might “work” for you:

1. THE WORK:

You decide to drive for Uber, Lyft or SideCar. These Transportation Network Companies (TNCs) use a cell phone application to electronically “hail a ride” for a fee. While on-duty for the TNC, you have your cell phone application on awaiting a customer. You are paid by the TNC for providing the ride.

Insurance Issues: If you have a Massachusetts personal auto policy, there is NO coverage for anyone injured while occupying your car while it's being used as a public or livery conveyance. In addition, the policy will not pay for Property Damage, and coverage under all optional insurance parts—like Optional Bodily Injury, Medical Payments, Collision, Comprehensive and Underinsured Auto Bodily Injury—is excluded. If driving for a TNC is your “job”, you are not eligible for a personal auto policy at all. The only policy which will cover you as a TNC driver is a Taxi/Limo/Car Service policy. As you can imagine, the cost of this type of commercial auto policy is substantially more than your personal auto policy.

2. THE WORK:

You travel frequently for business, so you enroll in a service like FlightCar, RelayRides or GetAround that will “loan” (rent) your car to others who travel to Boston for business or pleasure. In return, you will receive a small rental fee for each use.

Insurance Issues: Your policy would not cover a loss if your vehicle is being rented out since a vehicle rented to others does not qualify for a personal auto policy. A business auto policy—again at a higher cost—would be needed.

3. THE SERVICE:

There are also companies that rent cars to consumers by the hour or by the day. Zipcar is the most common one, but some of the “traditional” car rental firms are getting into this market. In the case of Zipcar, members are free to drive cars by the hour or day, and cars are available (parked for access by Zipcard holders) in neighborhoods, cities and airports around the world.

Insurance Issues: If a Zipcar member has a personal auto policy, the policy would follow the member when renting a personal automobile with the permission of the owner as long as the member is not regularly using the same car. If the Zipcar member will use the same car often, the “Use of Other Auto” endorsement could be added to your policy to cover the exposure. We should caution you that coverage under the personal auto policy is not worldwide and would be limited to accidents occurring in the United States, its territories and possessions, Puerto Rico, and Canada.

If you are thinking about putting your car to work for you, or if you have already signed up with one of these services, please give us a call to discuss your insurance needs. Our number one priority is making sure you have the coverage you need in the event of an accident.