Who Can Be Held Liable When a Rideshare Driver Causes a Crash?

Liability in a rideshare collision is rarely simple

When a rideshare driver hits your car, the question of who pays for your injuries and property damage can get complicated fast. Unlike a typical car accident where one driver is clearly at fault, a rideshare crash may involve the driver, the rideshare company, the driver's personal insurer, and sometimes a commercial policy. The answer depends heavily on what the driver was doing at the exact moment of the crash.

In California, a personal injury law firm helping Union City car accident victims understand their rights and pursue compensation for injuries and losses deals with these cases regularly. The rules that determine liability in a rideshare accident are different from those in a standard collision. A Lyft accident lawyer must look at the driver's status at the time of the crash to figure out which insurance policy applies.



The driver's status determines who pays

Rideshare companies like Lyft and Uber classify a driver's activity into three periods. Each period triggers a different insurance policy. The period matters because it decides whether the company's commercial coverage kicks in or only the driver's personal policy applies.

Period 1: The app is on but no ride accepted

If the driver has the rideshare app open and is waiting for a ride request, they are considered available but not yet engaged. In this period, the driver's personal insurance is the primary coverage. The rideshare company provides limited liability coverage, usually in the range of $50,000 per person for injury and $100,000 per accident. This contingent coverage only applies if the driver's personal policy denies the claim. Many personal policies exclude coverage when the driver is using the vehicle for commercial purposes. If the personal insurer denies the claim, the rideshare policy may step in, but the coverage limits are relatively low.

Period 2: A ride is accepted

Once the driver accepts a ride request and is en route to pick up the passenger, the company's commercial policy becomes primary. This period offers higher liability limits, typically $1 million. The same coverage applies during the trip itself. For a Lyft accident lawyer, this is the cleanest scenario because the company's policy is clearly in force and covers injuries to third parties.

Period 3: The passenger is in the car

From the moment the passenger enters the vehicle until they exit, the rideshare company's commercial policy remains primary. The driver's personal insurance may still be secondary, but the passenger and any other injured parties can usually look to the company's policy first. The passenger is also covered by the company's liability and uninsured/underinsured motorist coverage.



Who can be named as a defendant

In a rideshare accident lawsuit, multiple defendants may be involved. The driver is always a potential defendant if they were at fault. The rideshare company can also be named, especially if the driver was logged into the app and transporting a passenger at the time of the crash. Courts have grappled with whether drivers are employees or independent contractors. In California, the legal test for employment status can shift based on recent legislation and court rulings. A Lyft accident lawyer will evaluate whether the company exercised enough control over the driver to be held vicariously liable.

The driver's personal insurer may also be a defendant if it wrongfully denies coverage. In some cases, the rideshare company's commercial insurer is directly named. The goal is to identify all insurance policies that could provide compensation and to pursue each one.

What the passenger should know

Passengers injured in a rideshare accident have their own set of rights. The passenger's own auto insurance may cover them under the uninsured/underinsured motorist portion of their personal policy. The rideshare company's policy also covers passengers for injuries caused by the driver's negligence. A passenger should not assume that the driver's personal insurance will cover them. The driver may have minimal coverage or a policy that excludes commercial use.

The Jagroop Law Office, Inc. can help passengers and other victims understand the interplay of these policies. For a passenger, the first step is to obtain a trip receipt from the rideshare app. The trip receipt shows the exact time of the ride and the driver's information. This document is crucial for establishing which period the driver was in and which insurance policy applies.

What other drivers should know

If you are hit by a rideshare driver while you are in your own car, your own personal injury protection and uninsured/underinsured motorist coverage may be available. But the primary source of compensation should be the rideshare driver's insurance. The challenge is that the driver may have a personal policy that denies coverage because of the commercial use exclusion. The rideshare company's policy will only apply if the driver was in Period 2 or 3 at the time of the crash.

To protect your rights, you should gather evidence at the scene. Take photos of the vehicles, the damage, and the location. Get the driver's name, phone number, and insurance information. Ask if the rideshare app was on and whether a passenger was in the car. If a passenger was present, get their contact information as a witness. The trip receipt from the passenger's app can also prove the driver's status.



Special considerations for Union City residents

Union City is located in Alameda County, where rideshare accidents are common on major roads like Alvarado Boulevard and Decoto Road. The Jagroop Law Office, Inc. handles these cases with an understanding of local court procedures and insurance practices. The firm can help victims identify all potential defendants and navigate the claims process.

One complication that arises in Union City is the possibility that the rideshare driver lives in a different county or state. If the driver is from out of state, the insurance policies may have different terms and coverage limits. An experienced lawyer can sort through these jurisdictional issues.

What to do after a rideshare accident

If you are involved in a collision with a rideshare driver, follow these steps:

- Seek medical attention for any injuries, even if they seem minor at first.
- Call the police and request a written report. The report will document the driver's information and the circumstances of the crash.
- Take photos of the scene, including the vehicles, license plates, and the surrounding area.
- Obtain the driver's name, phone number, and insurance details. Ask for the driver's rideshare app status and whether a passenger was in the car.
- Contact a Lyft accident lawyer who can evaluate your case and identify all possible sources of compensation.

The process of filing a claim against a rideshare company is different from a standard auto claim. The company has its own claims portal and may require specific documentation. A lawyer can handle the paperwork and negotiations so that you can focus on recovery.

Insurance coverage gaps and how to close them

Rideshare drivers sometimes carry a personal policy that excludes commercial use. If the driver was in Period 1, the personal policy may deny coverage entirely, leaving only the rideshare company's contingent coverage. This coverage gap can leave victims with insufficient compensation for serious injuries. California law requires rideshare companies to provide at least $50,000 in coverage during Period 1, but that amount may not cover extensive medical bills or lost wages.

To protect yourself, consider adding uninsured/underinsured motorist coverage to your own auto policy. This coverage applies when the at-fault driver has insufficient insurance or no insurance at all. It can also cover hit-and-run accidents. For Union City residents, this is an important layer of protection given the frequency of rideshare traffic on local roads.



When the rideshare company may be directly liable

Beyond the driver's negligence, the rideshare company itself may be liable for other reasons. For example, if the company failed to properly screen the driver, or if it knew the driver had a history of accidents or traffic violations and allowed them to continue driving, the company could be sued for negligent hiring or retention. In some cases, the company's own policies or app design may have contributed to the crash. A Lyft accident lawyer will investigate these theories of liability.

The rideshare company's liability is often limited by its terms of service and by state laws that treat drivers as independent contractors. However, California courts have sometimes allowed claims against the company when the company exercised significant control over the driver's activities. The legal landscape is evolving, and an experienced attorney can advise on the current state of the law.

In Union City, the combination of local traffic patterns and the high volume of rideshare vehicles means that accidents involving rideshare drivers are not rare. Understanding who can be held liable is the first step toward getting fair compensation. The Jagroop Law Office, Inc. provides guidance to victims of these complex crashes.