

Web-Based Travel Services

A Guide for University of California Travelers

University of California travelers have shown continued interest in two web-based travel services: home sharing and ride sharing. Although these services offer substantial savings, they carry some additional risk. For this reason, Risk Services recommends thinking twice about using these services for University business. Please note that this is a recommendation only; use of home-sharing and ride-sharing services is permitted by the University.

Home Sharing

Airbnb and other home-sharing services consist of private individuals who rent rooms in their homes to travelers. A UC traveler might think this no different from renting a room at a bed-and-breakfast, but Airbnb and its competitors are not licensed hospitality businesses. They typically do not inspect host premises and make no assurances about safety or security. In the fine print of Airbnb's web site, the company states that *"Airbnb is not responsible for and disclaims any and all liability related to any and all listings and accommodations."*

Airbnb relies on its hosts to provide insurance coverage, chiefly through the hosts' homeowners or renters insurance. But most homeowners and renters insurance policies do not cover commercial use of the insured space. On January 15, 2015, Airbnb launched a [third party liability insurance policy](#) that covers hosts in the United States who have no coverage or insufficient coverage. As this April 10, 2015 [New York Times article](#) notes, however, the policy is not valid in foreign countries. The Airbnb policy also has a number of exclusions, including:

1. Intentional acts of the host or any other insured party
2. Loss of earnings
3. Personal and Advertising Injury (i.e. libel, slander, defamation, copyright infringement)
4. Exposure to fungi or bacteria
5. Exposure to Chinese drywall
6. Exposure to communicable diseases
7. Acts of terrorism
8. Product liability (i.e. loss or damage due to a defective manufactured or created product)
9. Exposure to pollution
10. Exposure to asbestos, lead, or silica

Regental policy requires that service providers have at least \$1 million of general liability coverage. Although Airbnb now meets this requirement within the United States, it does not meet the requirement in foreign locations. Other home-sharing services' insurance practices also may not meet the requirement.

Ride Sharing

A number of ride-sharing services have sprung up in the last few years, including Uber, Lyft, and Sidecar. Accessed via mobile apps, ride-sharing services dispatch a car to the member's location. Ride-sharing services are not licensed or accredited by state or local authorities charged with regulating taxis and limousine services. Arguably, Uber's business practices foster unsafe driving; a December 22, 2014 [New](#)

[York Times article](#) reveals that Uber drivers – who are usually driving at the time – have 15 seconds to respond to a pick-up request on their cell phones, which distracts them from the road.

As with home-sharing services, ride-sharing services rely on the driver to provide primary insurance coverage, even though the driver's auto insurance policy likely does not cover commercial use of the vehicle. In August 2014, the California Legislature passed a bill requiring ride-sharing services to provide \$50,000 in liability coverage for death or injury to a single person; \$100,000 in coverage for all damages in a single accident; and \$30,000 for property damage. The ride-sharing services also have to provide \$200,000 in excess liability if the driver's personal policy is insufficient, plus \$1 million in coverage once the driver is matched with a passenger.

From a liability standpoint this represents a significant improvement. However, from a safety standpoint, ride-sharing services still do not consistently:

- Require each driver to undergo a criminal background check;
- Establish a driver training program;
- Implement a zero-tolerance policy on drugs and alcohol; or
- Conduct regular car inspections.

For this reason, Risk Services continues to recommend against use of ride-sharing services.