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October 31, 2025

The Honorable Matthew W. Claman
Alaska State Senator

VIA EMAIL ONLY

The Honorable Forrest Dunbar
Alaska State Senator

The Honorable Loki Tobin
Alaska State Senator

The Honorable Zack Fields
Alaska State Representative

The Honorable Andrew Gray
Alaska State Representative

Re: Rideshare Insurance Issue

Dear Gentlemen and Ms. Tobin:

I write this letter to each of you as Senator Dunbar and Representative Gray represent me, and Senator Tobin and Representative Fields represent my family involved in this issue. I am also including Senator Claman, as I personally know Matt. This letter concerns passengers that are involved in an accident while riding in a rideshare, such as Uber or Lyft, and are left with very little or no insurance coverage for medical costs. I ask that each of you make yourselves aware of this failure and keep it in mind when an opportunity may arise to correct this weakness in the Alaska Statutes.

My daughter's boyfriend, [REDACTED] was riding in an Uber on his way to the airport to catch a flight on June 21, 2025, 4:20 a.m. The Uber was at the intersection of East 15th Avenue and Medfra Street in Anchorage, Alaska when it was hit by another driver, Jerome Phillips, who ran a red light. Jerome Phillips was drunk. The Uber rolled three times and hit a pole. [REDACTED] and the Uber driver suffered serious injuries. [REDACTED] had three surgeries and was in the hospital for nine days. His medical costs to date are around \$350,000. Unfortunately, he recently had another surgery that adds further medical costs. It is my understanding that the Uber driver shattered his pelvis, broke some ribs, and punctured his lung.

With insurance from Uber and the Uber driver, ██████ own vehicle and medical insurance, the DUI driver's insurance and, hopefully, uninsured motorist/under-insured motorist (UM/UIM) coverage, ██████ hired a lawyer to assist him in the navigation of all the insurance available to him as a passenger in Uber. The lawyer and ██████ quickly found that there was little underinsured coverage for ██████ because Uber had waived the UM/UIM requirements, leaving little UM/UIM insurance coverage for the rideshare passenger.

AS 28.23.050 states that rideshare companies like Uber must carry UI/UIM coverage "as required under AS 21.96.020 and AS 28.20.440." See attached. "Under AS 28.23.050(c), "while a transportation network company driver is engaged in a prearranged ride," the driver and the company will have combined liability coverage of \$1,000,000 should the driver cause an accident with another person. AS 21.96.020(c)(1) requires UM/UIM coverage in the same amount – a total of \$1,000,000 – unless the company (or the driver) waives this requirement under AS 21.96.020(e).

Specifically, AS 21.96.020(e) states that the insured—here Uber—may waive UM/UIM coverage in writing "in whole or in part." See attached.

Likewise, AS 28.20.440 lays out the minimum requirements for liability bodily injury coverage at \$50,000 per person and \$100,000 per accident. It goes on to state in section (b)(3) that UIM coverage must be carried in these same amounts but also states this coverage "must comply with the provisions of AS 28.20.445." See attached. AS 28.20.445 is Alaska's UM/UIM statute.

AS 28.20.445(e)(3), unfortunately, states that "uninsured and underinsured motorists coverage may be rejected by the insured in writing." See attached.

The structure of our statutes requires the rideshare company and driver to have \$1,000,000 in coverage should the driver cause an injury to another person. But it allows the rideshare company and driver to waive the \$1,000,000 coverage for their passenger when an underinsured driver causes injury to the rideshare passenger – exactly what happened to ██████

Uber rejected the UM/UIM coverage with Progressive except if the collision occurred on airport grounds (which in this case it did not). We can assume that if Alaska allows rideshare companies and drivers to reject UM/UIM entirely, then an Alaska court would not impose coverage outside the confines on the UM/UIM voluntarily taken out by Uber (here, only if the collision occurs on airport premises).

There is \$1M of coverage with Uber under the Progressive policy only if the Uber driver caused the crash or contributed to the crash, but there is no indication that happened in this crash. See attached.

This accident would have brought into play the UM/UIM coverage for ██████ because of the high medical bills, loss of wages, pain and suffering; but Uber rejected the UM/UIM coverage with Progressive. We need to correct this gap. Rideshare companies should be required to have UM/UIM coverage here in Alaska since we do have the highest medical costs in the world. It

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leaves the passenger exposed to outrageously high medical costs with no or very little insurance coverage.

Many personal insurance policies for drivers will not cover a passenger in a rideshare. For instance, my own auto insurance policy with USAA excludes coverage for me when riding in a rideshare. When I discussed this situation with USAA, they stated that the rideshare companies provide the insurance coverage for passengers.

How is it that Uber (or any rideshare) does not protect its passengers in the event of an accident when the Uber driver is *not* at fault? A DUI driver hit the car and left [REDACTED] with only \$5,000 from Uber's policy for medical payments that are already over \$350,000. Thankfully, the DUI driver does have insurance that will cover \$50,000 of [REDACTED] medical costs. But under Uber's policy, [REDACTED] is only receiving \$5,000 for medical costs. Yes, he has medical insurance, but he still has a \$9,000 deductible on medical bills of approximately \$350,000. Keep in mind, Uber made \$44 billion last year (per Yahoo Finance and AI) and Lyft made \$4.3 billion last year (per Lyft's website).

I implore upon you to look at this gap in the statute and update it to require insurance coverage for the passenger whether the rideshare driver is at fault or not.

Sincerely,

A handwritten signature in black ink that reads "Lani Gerken". The signature is written in a cursive, flowing style.

Lani Gerken

Alaska Statutes per Justia U.S. Law.

AS 21.96.020

Title 21. Insurance. Chapter 96. Miscellaneous Provisions. Sec. 21.96.020. Required motor vehicle coverage

(a) An automobile liability policy that insures an owner or operator of a motor vehicle against loss resulting from liability for bodily injury or death, or for property injury or destruction, or both, that is sold in the state, must contain limits in at least the amount prescribed for a motor vehicle liability policy in AS 28.20.440 or AS 28.22.101.

(b) This section may not be construed to apply only to automobile liability policies obtained to satisfy a requirement of AS 28.20.

(c) An insurance company offering automobile liability insurance in this state for bodily injury or death shall, initially and at each renewal, offer coverage prescribed in AS 28.20.440 and 28.20.445 or AS 28.22 for the protection of the persons insured under the policy who are legally entitled to recover damages for bodily injury or death from owners or operators of uninsured or underinsured motor vehicles. The limit written may not be less than the limit in AS 28.20.440 or AS 28.22.101. Coverage required to be offered under this section must include the following options:

(1) policy limits equal to the limits voluntarily purchased to cover the liability of the person insured for bodily injury or death; coverage for punitive damages that might otherwise be recoverable from an uninsured or underinsured person is not required under this paragraph;

(2) except when the coverage consists of motorcycle liability insurance, and except for a named insured required to file proof of financial responsibility under AS 28.20 or an applicant required to file proof of financial responsibility under AS 28.20, policy limits in the following amounts when these limits are greater than those offered under (1) of this subsection:

(A) \$100,000 because of bodily injury to or death of one person in one accident, and, subject to the same limit for one person, \$300,000 because of bodily injury to or death of two or more persons in one accident;

(B) \$300,000 because of bodily injury to or death of one person in one accident, and, subject to the same limit for one person, \$500,000 because of bodily injury to or death of two or more persons in one accident;

(C) \$500,000 because of bodily injury to or death of one person in one accident, and, subject to the same limit for one person, \$500,000 because of bodily injury to or death of two or more persons in one accident;

(D) \$500,000 because of bodily injury to or death of one person in one accident, and, subject to the same limit for one person, \$1,000,000 because of bodily injury to or death of two or more persons in one accident;

(E) \$1,000,000 because of bodily injury to or death of one person in one accident, and, subject to the same limit for one person, \$2,000,000 because of bodily injury to or death of two or more persons in one accident;

(3) other policy limits at the option of the insurer.

(d) An insurance company offering automobile liability insurance in this state for injury to or destruction of property shall offer coverage prescribed in AS 28.20.440 and 28.20.445, or AS 28.22, with limits not less than those prescribed in AS 28.20.440 or AS 28.22.101, to cover the insured person's liability for injury to or destruction of property, for the protection of the persons insured under the policy who are legally entitled to recover damages for injury to or destruction of the covered motor vehicle from owners or operators of uninsured or underinsured motor vehicles.

(e) The coverage required under (c) and (d) of this section may be waived in writing by the insured in whole or in part. After selection of the limits by the insured or the exercise of the option to waive the coverage in whole or in part, the insurer is not required to notify any policy holder in any renewal, supplemental, or replacement policy, as to the availability of the coverage or optional limits, and the waived coverage may not be included in any renewal, supplemental, or replacement policy. The insured may, at any time, make a written request for additional coverage or coverage more extensive than that provided on a prior policy.

(f) An automobile liability insurance policy must provide

(1) that all expenses and fees, not including counsel fees or adjuster fees, incurred because of arbitration or mediation shall be paid as determined by the arbitrator;

(2) liability coverage in the amount set out in AS 28.22.101(d) for motor vehicles rented in the United States or Canada by a person insured under the policy;

(3) physical damage coverage for motor vehicles rented in the United States or Canada, if the policy provides physical damage coverage; if the insured declines physical damage coverage, the insurer shall offer physical damage coverage for rented vehicles;

(4) that payments from applicable coverage provided under (2) and (3) of this subsection will be made in the following order of priority:

(A) from a policy or coverage purchased by the operator from the person who has the vehicle available for rent;

(B) from a policy or coverage covering the operator of a rented vehicle but not purchased from the person who has the vehicle available for rent; and

(C) from a policy or coverage of the person who has the vehicle available for rent.

(g) An insurance company offering automobile liability insurance in this state shall offer a short term policy valid for no more than seven days. The coverage available for the short term policy must be comparable to coverage available for longer term policies. The provisions of AS 21.36.210 - 21.36.310 do not apply to short term policies issued under this subsection.

(h) The selection, rejection, or exercise of the option not to purchase, by a named insured or an applicant, shall be valid for all insureds under the policy.

(i) In this section, "automobile liability insurance" does not include coverage provided only on an excess or umbrella basis.

AS 28.20.440

Title 28. Motor Vehicles. Chapter 20. Motor Vehicle Safety Responsibility Act. Sec. 28.20.440. Motor vehicle liability policy defined; required provisions

Universal Citation:

(a) In this chapter, “motor vehicle liability policy” means an “owner policy” or an “operator's policy” containing an agreement or endorsement as provided in this section, or certified as provided in AS 28.20.410 or 28.20.420 as proof of financial responsibility for the future, and issued, except as otherwise provided in AS 28.20.420, by an insurance carrier authorized to transact business in this state, to or for the benefit of the person named as insured.

(b) The owner's policy of liability insurance must

(1) designate by description or appropriate reference all vehicles that it covers;

(2) insure the person named and every other person using the vehicle with the express or implied permission of the named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance, or use of the vehicle within the United States or Canada, subject to limits exclusive of interest and costs, with respect to each vehicle, as follows: \$50,000 because of bodily injury to or death of one person in any one accident, and, subject to the same limit for one person, \$100,000 because of bodily injury to or death of two or more persons in any one accident, and \$25,000 because of injury to or destruction of property of others in any one accident;

(3) contain coverage in not less than the amounts set out in (2) of this subsection for the protection of the persons insured under the policy who are legally entitled to recover damages from owners or operators of uninsured or underinsured motor vehicles because of bodily injury or death, or damage to or destruction of property arising out of the ownership, maintenance or use of the uninsured or underinsured motor vehicle; this coverage must comply with the provisions of AS 28.20.445.

(c) The operator's policy of liability insurance must insure the person named as insured against loss from the liability imposed upon the person by law for damages arising out of the use by the person of any motor vehicle not owned by the person, within the same territorial limits and subject to the same limits of liability as are required for an owner's policy of liability insurance.

(d) The motor vehicle liability policy must state the name and address of the named insured, the coverage, the premium charges, the policy period, and the limits of liability, and must contain an agreement or an endorsement that insurance is provided in accordance with the coverage defined in this chapter for bodily injury and death or property damage, or both, and is subject to all the provisions of AS 28.20.010 - 28.20.640.

(e) The motor vehicle liability policy need not insure liability under a workers' compensation law nor liability for damage to property owned by, rented to, in charge of or transported by the insured.

(f) Every motor vehicle liability policy is subject to the following provisions but these provisions need not be contained in the policy.

(1) The liability of the insurance carrier becomes absolute whenever injury or damage covered by the policy occurs; the policy may not be cancelled or annulled as to this liability after the occurrence of the injury or damage; no statement made by the insured or on behalf of the insured and no violation of the policy defeats or voids the policy.

(2) The satisfaction by the insured of a judgment for injury or damages is not a condition precedent to the right or duty of the insurance carrier to make payment on account of injury or damage.

(3) The insurance carrier may settle a claim covered by the policy, and if settlement is made in good faith, the amount of settlement is deductible from the limits of liability specified in (b) of this section.

(4) The policy, the written application for the policy, if any, and every rider or endorsement that does not conflict with the provisions of this chapter constitute the entire contract between the parties.

(g) A policy that grants the coverage required for a motor vehicle liability policy may also grant lawful coverage in excess of or in addition to the coverage specified for a policy and the excess or additional coverage is not subject to the provisions of this chapter. With respect to a policy that grants excess or additional coverage the term “motor vehicle liability policy” applies only to that part of the coverage that is required by this section.

(h) A motor vehicle liability policy may provide that the insured shall reimburse the insurance carrier for any payment the insurance carrier would not have been obligated to make under the terms of the policy except for the provisions of this chapter.

(i) A motor vehicle liability policy may provide for proration of the insurance with other valid and collectible insurance.

(j) The requirements for a motor vehicle liability policy may be fulfilled by the policies of one or more insurance carriers that together meet the requirements.

(k) A binder issued pending the issuance of a motor vehicle liability policy fulfills the requirements for a policy.

(l) Notwithstanding any other provisions of law, a person who resides in the same household as the person named as insured or a person who is a relative of the person named as insured shall be excluded from coverage under a motor vehicle liability policy if the person named as insured requests that that person be excluded from coverage.

AS 28.30.050

Title 28. Motor Vehicles Chapter 23. Transportation Network Companies and Drivers

AS 28.23.050. Financial responsibility of transportation network companies

(a) A transportation network company driver, or transportation network company on behalf of the driver, shall maintain primary automobile insurance that recognizes that the driver is a transportation network company driver or otherwise uses a vehicle to transport passengers for

compensation and that covers the driver while the driver is logged onto the digital network of a transportation network company or while the driver is engaged in a prearranged ride.

(b) The following automobile insurance requirements shall apply while a participating transportation network company driver is logged onto the digital network of a transportation network company and is available to receive transportation requests but is not engaged in a prearranged ride:

(1) primary automobile liability insurance in the amount of at least \$50,000 for death and bodily injury for each person, \$100,000 for death and bodily injury for each incident, and \$25,000 for property damage;

(2) uninsured or underinsured motor vehicle coverage as required under AS 21.96.020 and AS 28.20.440;

(3) the coverage requirements of this subsection may be satisfied by

(A) automobile insurance maintained by the transportation network company driver;

(B) automobile insurance maintained by the transportation network company; or

(C) any combination of (A) and (B) of this paragraph.

(c) The following automobile insurance requirements shall apply while a transportation network company driver is engaged in a prearranged ride:

(1) primary automobile liability insurance that provides at least \$1,000,000 for death, bodily injury, and property damage;

(2) uninsured or underinsured motor vehicle coverage as required under AS 21.96.020 and AS 28.20.440;

(3) the coverage requirements of this subsection may be satisfied by

(A) automobile insurance maintained by the transportation network company driver;

(B) automobile insurance maintained by the transportation network company; or

(C) a combination of (A) and (B) of this paragraph.

(d) If insurance maintained by a driver under (b) or (c) of this section has lapsed or does not provide the required coverage, insurance maintained by a transportation network company must provide the coverage required by this section beginning with the first dollar of a claim, and the transportation network company insurer has the duty to defend that claim.

(e) Coverage under an automobile insurance policy maintained by the transportation network company may not be dependent on a personal automobile insurer first denying a claim nor shall a personal automobile insurance policy be required first to deny a claim.

(f) Insurance required by this section may be placed with an insurer licensed under AS 21.09.060 or with a surplus lines insurer eligible under AS 21.34 that has a credit rating not lower than A- from A.M. Best or a similar rating from another rating agency recognized by the division of insurance.

(g) Insurance satisfying the requirements of this section shall be considered to satisfy the financial responsibility requirement for a motor vehicle under AS 28.20.

(h) A transportation network company driver shall carry proof of coverage under (b) and (c) of this section with the driver at all times during the driver's use of a vehicle in connection with a digital network of a transportation network company. In the event of an accident, a transportation network company driver shall provide the insurance coverage information to the directly interested parties, automobile insurers, and investigating police officers upon request under AS 28.22.019. Upon that request, a transportation network company driver shall also disclose to directly interested parties, automobile insurers, and investigating police officers whether the driver was logged onto the digital network of a transportation network company or on a prearranged ride at the time of an accident.

(i) If the insurance carrier for the transportation network company makes a payment for a claim for physical damage to a personal vehicle that is subject to a lien, the insurance carrier shall pay the claim jointly to the owner of the personal vehicle and the primary lienholder or directly to the business repairing the personal vehicle.

AS 28.20.445

Title 28. Motor Vehicles. Chapter 20. Motor Vehicle Safety Responsibility Act. Sec. 28.20.445.
Uninsured and underinsured motorists coverage

(a) The maximum liability of the insurance carrier under the uninsured and underinsured motorists coverage required to be offered under AS 28.20.440 shall be the lesser of

(1) the difference between the amount of the covered person's damages for bodily injury and property damage and the amount paid to the covered person by or for a person who is or may be held legally liable for the damages; and

(2) the applicable limit of liability of the uninsured and underinsured motorist coverage.

(b) An amount payable under the uninsured and underinsured motorist coverage shall be excess to an amount payable under automobile bodily injury, death, or medical payments coverage, or as workers' compensation benefits and may not duplicate amounts paid or payable under valid and collectible automobile bodily injury, death, or medical payments coverage, or as workers' compensation benefits.

(c) If a person is entitled to uninsured or underinsured motorists coverage under more than one coverage when two or more vehicles are insured under one policy, the maximum amount payable may not exceed the highest limit of any one coverage under the policy. If a person is entitled to uninsured or underinsured motorists coverage under more than one motor vehicle policy issued by the same insurer in the same household, the maximum amount payable may be limited to the highest limit of any one coverage under the policies. If a person is entitled to uninsured or underinsured motorists coverage under more than one policy providing motor vehicle liability coverage, payments will be made in the following order of priority, subject to the limit of liability of each applicable policy or coverage:

- (1) a policy or coverage covering a motor vehicle occupied by the injured person or a policy or coverage covering a pedestrian as a named insured;
 - (2) a policy or coverage covering a motor vehicle occupied by the injured person as an insured other than as a named insured;
 - (3) a policy or coverage not covering a motor vehicle occupied by the injured person but covering the injured person as a named insured;
 - (4) a policy or coverage not covering a motor vehicle occupied by the injured person but covering the injured person as an insured other than as a named insured;
 - (5) a policy or coverage covering, as excess, umbrella, or similar insurance, a motor vehicle occupied by the injured person or a policy or coverage covering, as excess, umbrella, or similar insurance, a pedestrian as a named insured;
 - (6) a policy or coverage covering, as excess, umbrella, or similar insurance, a motor vehicle occupied by the injured person or a policy or coverage covering, as excess, umbrella, or similar insurance, a pedestrian as an insured other than as a named insured;
 - (7) a policy or coverage not covering a motor vehicle occupied by the injured person but covering, as excess, umbrella, or similar insurance, the injured person as a named insured;
 - (8) a policy or coverage not covering a motor vehicle occupied by the injured person but covering, as excess, umbrella, or similar insurance, the injured person as an insured other than as a named insured.
- (d) Uninsured and underinsured motorists coverage does not apply to bodily injury or death or damage to or destruction of property of an insured
- (1) while occupying a motor vehicle owned by, but not insured by, the named insured or the insured's spouse or relative residing in the same household; or
 - (2) through being struck by a vehicle owned by the named insured or the insured's spouse or relative residing in the same household.
- (e) Uninsured and underinsured motorists coverage
- (1) may not apply to bodily injury, sickness, disease, or death of an insured or damage to or destruction of property of an insured until the limits of liability of all bodily injury and property damage liability bonds and policies that apply have been used up by payments, judgments or settlements;
 - (2) shall be a single combined coverage;
 - (3) may be rejected by the insured in writing; if the insured has rejected the coverage, the coverage shall not be included in any supplemental, renewal, or replacement policy unless the insured subsequently requests the coverage in writing; and
 - (4) need not provide coverage for punitive damages that might otherwise be recoverable from an uninsured or underinsured person.
- (f) If both the owner and operator of the uninsured vehicle are unknown, payment under the uninsured and underinsured motorists coverage shall be made only where direct physical contact

between the insured and uninsured or underinsured motor vehicles has occurred. A vehicle that has left the scene of the accident with an insured vehicle is presumed to be uninsured if the person insured reports the accident to the appropriate authorities within 24 hours.

(g) The uninsured and underinsured motorists coverage for damage to or destruction of property is subject to a deductible of \$250 in any one accident, but the insurer may offer a deductible other than \$250. This coverage shall be limited to damage to or destruction of the insured motor vehicle. It may not include loss of use of the vehicle.

(h) [Repealed, § 115 ch 81 SLA 1997.]

(i) The director of the division of insurance shall ensure that policies that provide the uninsured and underinsured motorists coverage required under this chapter clearly state that the uninsured and underinsured motorists coverage provides coverage for the insured for injuries sustained as a pedestrian or bicyclist by a motor vehicle.