



The Honorable Senator Jesse Bjorkman
Alaska State Capitol Room 427
Juneau, AK 99801
May 7, 2025

RE: SB 35 (Delivery Network Companies) - Response to Questions Raised in Committee

Dear Senator Bjorkman,

We write today to reiterate our support for [SB 35](#), which will protect the independent contractor status of Alaskans who choose to earn on app-based food delivery platforms. We also write to provide follow-up information on benefits and insurance coverage currently available for these independent workers as requested by members of the Senate Labor & Commerce committee on April 30, 2025.

It is important to note that **there is not a single jurisdiction in the United States where app-based delivery workers are defined as employees.** In a handful of states, like [California](#) and [Massachusetts](#), new models have been designed that allow for couriers to be defined as independent contractors while accessing newly created benefits in statute. But in Alaska, as in the vast majority of states, these workers are independent contractors subject to the same laws that would govern any other independent contractor.

When it comes to mandated insurance coverage, laws vary by state. For the committee's reference, a summary of the insurance we provide in the State of Alaska is provided below:

Insurance coverage when a driver/courier is offline

Like any other vehicle owner in Alaska, couriers who use the Uber Eats platform are responsible for maintaining their own personal vehicle insurance at state-mandated minimum limits and provide proof of that insurance to drive and deliver with Uber. This insurance covers accidents that occur when a courier is not logged onto the app.

Insurance coverage when a driver/courier is online and available for a trip ("Period 1")

If a driver/courier is at fault and another person gets hurt or their vehicle gets damaged, Uber's third-party liability insurance covers the cost of injuries or damage for drivers carrying passengers and couriers delivering food. Uber's insurance provides coverage in the following amounts:

- \$50,000 per person and \$100,000 per accident for injuries
- \$25,000 in property damage per accident

In Alaska, Uber is also required to maintain extra coverage for drivers and passengers, including coverage for injuries in a hit-and-run or an accident caused by an uninsured or underinsured driver.

Insurance coverage when a driver/courier is en route to or on a trip (“Periods 2 and 3”)

Uber maintains some of the most comprehensive insurance for ridesharing and deliveries, including:

- Insurance that covers at least \$1,000,000 for property damage and injuries to riders and third parties involved in an accident where the driver is at fault. *NOTE: For deliveries, there should not be more than one passenger in the driver’s vehicle.*
- Insurance that covers the cost to repair the driver’s vehicle, up to the actual cash value, with a \$2,500 deductible (contingent on the driver’s personal insurance including comprehensive and collision coverage).
- For rideshare, insurance that covers at least \$1,000,000 for property damage and injuries to riders and passengers involved in an accident where a third-party was at fault (uninsured/underinsured motorist coverage) while on the premises of public airports. *NOTE: For deliveries, this policy is not necessary, as it only covers trips to public airports.*
- In many U.S. states, Uber also provides Occupational Accident Insurance (OccAcc) and/or offers Optional Injury Protection (OIP) available for purchase - insurance policies designed to cover additional medical expenses if a driver or courier is hurt in an accident. As noted in committee, neither of these coverages is currently available in Alaska, but Uber is considering providing OIP as a future benefit.

Income and benefits for drivers/couriers as independent contractors

The committee also raised questions about the median income of couriers, and whether couriers are utilizing government assistance programs such as SNAP or Medicaid.

First, Uber does not collect any information about whether couriers are utilizing any government assistance programs. In order to enable individuals to earn quickly, we require a valid drivers license, proof of residency, proof of insurance, and the completion of a background check.

Regarding the median income of couriers, that data is available by city:

- In Anchorage, the median income in April 2025 was **\$25.89 per hour**.
- In Fairbanks, the median income in April 2025 was **\$21.06 per hour**.
- *NOTE: Actual earnings may vary, depending on factors like number of trips completed, time of day, and location, and earnings include trip fares, certain promotions (which are*

subject to change and may vary), and tips (which are provided at the discretion of the customer ordering food delivery).

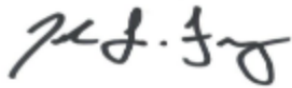
Regarding the independent contractor status of couriers who use Uber Eats, this classification provides a number of important benefits to these individuals. Independent contractor status allows couriers:

- **Flexibility:** To set their own hours and work when they choose.
- **Autonomy:** To manage their own schedules and make independent decisions about how they operate.
- **Opportunity:** To supplement their income by obtaining work on multiple platforms or to engage in full-time work as they see fit.

It is important to recognize that while independent contractors are not provided the same benefits as employees, they also enjoy freedoms that employees do not. Accordingly, the vast majority of earners choose to earn on platforms like Uber on less than a full-time basis. In 2024, 83% of Alaska earners averaged fewer than 30 hours per week logged online to Uber's services.

SB 35 will eliminate inconsistencies in statute, resolve ongoing legal questions and allow the state to continue creating opportunities for people who use and rely on app-based platforms to supplement their income. We thank you for your attention to this important matter, and strongly encourage the committee to move this bill forward.

Sincerely,

A handwritten signature in black ink, appearing to read "John L. Finley".

John L. Finley
Public Policy & Communications
Uber Technologies, Inc.