Sustainable transport for a better world

VEHICLE AND RIDE SHARING & INSURANCE

HOW DOES IT WORK?

Vehicle and ride-sharing between organisations is becoming increasingly popular, particularly in the humanitarian sector. These initiatives can help reduce costs, lower emissions, and improve road safety by decreasing the number of vehicles on the road. However, organisations considering shared vehicle use-especially with external partners-often have valid concerns around insurance coverage. This guide will answer all of the most frequently asked questions we receive!

For instance:

What happens if a driver who is not employed by my organisation is involved in a crash while using one of our vehicles?

If one of my staff members is injured in a shared vehicle, how would the insurance respond?

These are important questions to consider before launching any shared vehicle arrangement. Aid and development organisations should thoroughly understand their insurance coverage and any national or local legislation that may affect it, as requirements and protections vary across regions.

To support your planning, we've gathered insights from insurance experts on common questions related to shared vehicle use and ridesharing initiatives.

Please note this is general guidance only and does not constitute legal or insurance advice.

Frequently Asked Questions

Q: How can we ensure that external passengers—those not employed by the organisation owning the vehicle-are insured in the event of injury or death in a crash?
A: In most jurisdictions, third-party liability insurance on the vehicle covers all passengers (excluding the driver) in case of injury. If the vehicle is provided by a rental or third party, the borrowing organisation should:

- Confirm the provider has valid third-party liability insurance;
- Check the insured amount and ensure premiums are paid;
- Request a certificate of insurance for added assurance.
- Ensure that the premium has been paid, as this is the only way to guarantee insurance cover.

Q: Is there a global umbrella insurance that can supplement local third-party cover?
A: Yes, some organisations opt for an international fleet insurance programme with umbrella coverage. This can extend or supplement local policies in countries where standard cover is insufficient or where local exclusions (e.g. certain liabilities) apply. Please note that an umbrella policy is a special form. It does not necessarily have to be provided. The local legal requirements must always be observed first.

Q: If the driver is not employed by the vehicle-owning organisation, how are they and the passengers covered?
A: Passengers are typically covered through the vehicle's third-party liability insurance. Drivers may need separate or additional personal accident insurance, particularly if they're not covered under the owner's existing policy. Most international organisations also carry accident or health insurance for their staff, which would apply in case of injury or death.

Q: Are there regions where vehicle or ride-sharing is restricted or where special risks need to be considered (e.g. war, terrorism)?
A: It's essential to review the insurance and legal requirements in each country before launching any shared vehicle scheme. Most motor vehicle policies exclude risks such as war or terrorism—so organisations should consider whether separate coverage is needed in high-risk locations.

Q: Can rental vehicles be included in ride- and vehicle-sharing schemes?
A: Possibly, but always check with the rental provider and your insurer. Coverage depends on the rental company's policy and whether their terms permit shared use or non-employee drivers. Pay special note to the regulations on deductibles.

Q: How do we determine an appropriate sum insured for additional cover when sharing vehicles? Should this be handled locally or globally?
A: If your organisation operates a global insurance programme, the coordinating office typically sets the insured sum based on country-specific risks. If not, local insurance guidance should be sought to ensure adequate protection for shared vehicle use.

Tips to Consider When Implementing Vehicle or Ride-Sharing

1. Understand Policy Limits

Insurance policies often include a maximum annual pay-out. In shared vehicle arrangements—where multiple users may increase the risk of incidents—this cap could be reached quickly. Make sure your policy can accommodate this risk or explore additional coverage.

2. Include Shared Use in Your Fleet Management Policy

Clearly documenting shared vehicle arrangements in your internal policies helps define responsibilities and conditions of use. This can be crucial for insurance claims and risk management, especially if an incident involves non-staff drivers or passengers.

3. Know the Rules Around Borrowing Vehicles from Other Agencies

If you're borrowing a vehicle from another organisation:

- Check if you're authorised to drive it;
- Confirm the vehicle's insurance policy covers occasional or external drivers;
- Ask whether the cover is comprehensive or limited to third-party damage.

Also, ensure your own organisation's policy supports the use of externally owned vehicles and that any relevant internal approvals are in place.

Key Takeaway

Before entering into any vehicle or ride-sharing agreement, always consult your insurance provider, review your organisational policies, and understand local legal requirements. Being proactive can prevent misunderstandings and ensure your staff, vehicles, and operations are properly protected.