

Exposing The Risks You Face With Mobile App TNCs

Much has come to light over the past year regarding the risks that can be associated with mobile app transportation. It's not uncommon for a Transportation Network Company (TNC) such as Uber, Lyft, and Sidecar to deploy non-professional drivers who aren't adequately trained or haven't undergone adequate background checks. Some customers are also learning the hard way that if they are injured during a ride with a TNC driver, they might only be able to file a claim against the driver's personal insurance policy, which might not cover you at all because some personal insurance policies don't cover for-hire services. TNCs generally do not carry corporate liability policies such as those used by more established limousine transportation enterprises.

Other issues related to TNCs include little to no oversight of their driver fleet and even an absence of proper business licenses.

Despite a growing public awareness about the deficiencies of ridesharing companies, state legislatures have been slow to understand the public safety threats posed by a lack of standards and rules that TNCs must follow.

Jeff Nyikos, President of LEROS Point to Point, says, "It is alarming that TNC companies do not have anywhere near the level of regulatory oversight that established limousine and ground transportation industry businesses have. Legislatures as well as corporate clients need to be thoroughly educated about these TNC issues."

Nyikos goes on to ask, "Given all of these facts, would it be prudent to use a TNC not knowing anything about the driver who is about to take you to your destination?"

This lack of business operating standards long held by well-established ground transportation operators such as LEROS Point to Point has damaged public trust and confidence in the industry as a whole.

Looking ahead to the rest of 2015, Nyikos has developed an “Industry Outlook” that identifies several key areas on which the ground transportation industry should focus:

CHAUFFEUR TRAINING: Limousine and ground transportation companies must make sure to hire and train the best professionals to chauffeur their clients. “Training should be on an ongoing basis in order for the highest quality of service to be delivered to passengers, as well as to ensure they have a safe riding experience,” Nyikos explains. “Long-time operators have always made this a priority and need to recommit to training.”

Instances of crime and violence against ground transportation passengers can largely be tied to an absence of rigorous hiring and training procedures with ridesharing companies. “Chauffeur training will be the key difference between industry competitors in 2015,” Nyikos says.

FLEET DIVERSIFICATION: According to Nyikos, “By expanding their fleet beyond cars and SUVs to include buses, minibuses, vans, and other vehicles, operators can position themselves as full transportation companies, opening up new revenue channels that reflect the needs of today’s passengers, such as shuttles for corporations or hospitals and medical transportation.”

GROUP TRANSPORTATION: Looking to reduce costs, many corporations will be investigating group transportation options—especially for meetings and events—rather than single-passenger point-to-point rides. “This is an area that TNCs are not able to service due to their loose operational structures and their surge pricing model, which increases prices during the busiest times of the day when most corporate travelers are traveling” Nyikos says.

INSURANCE SELF PROTECTION: When selecting a ground transportation provider, it's important to select one that has industry standard livery and business insurance. "Passengers should know they are adequately protected should an accident occur," according to Nyikos. "While regulated ground transportation providers are required to have this insurance to reassure passengers, TNCs are not required to provide chauffeurs insurance and only provide an ill-defined umbrella policy on top of their drivers' own personal insurance. Payouts in accidents are uncertain."

NEW TECHNOLOGY PLATFORMS: Established ground transportation providers are working together with travel management companies to develop an on-demand platform. "This system will identify, vet, and rank operators and drivers so a car can confidently be booked in any location at any time," Nyikos explains. "Similar TNC technology platforms can provide cars quickly on demand, but not guarantee a safe, uneventful passenger experience."

In summary, Nyikos notes, "The future of the limousine transportation industry is in the quality of service being provided and the use of technology. While the emergence of TNCs has changed passenger service expectations in ground transportation, established limousine and ground transportation companies will continue to provide customers with safe, high-quality ride experiences upon which they can depend."

"Driving People Who Drive Business," LEROS Point to Point, headquartered in Hawthorne, NY, is committed to providing travelers with a first-class experience at a competitive price. With a goal "to exceed each client's expectations," LEROS has grown since 1983 to become a leading provider of global executive chauffeured services.

