

The Proposed Madison TNC Ordinances are Designed to Restrict Ridesharing, not Protect Consumer Safety

The proposed policies do not increase rider or driver safety beyond Uber's current measures. The proposals all impose onerous requirements designed to stifle ridesharing in Madison and the benefits that come with it, including:

- More affordable transportation options for people in underserved communities;
- A reduction in DUIs and casualties associated with them; and,
- Economic opportunities for residents of Madison.



The proposed policies do not acknowledge the insurance standards supported by Farmers, State Farm, USAA, American Insurance Association, PCI, NAMIC, Uber, and Lyft. These policies were agreed to in order to eliminate consumer confusion, provide a framework for safe transportation options, and support continued marketplace innovation while bringing greater stability and confidence to the transportation network industry.

The proposal includes other requirements that create hurdles to TNCs providing robust products for Madison residents and visitors by requiring:

- In-person application process for drivers through the city, with no safety benefits beyond what is required by Uber.
- High driver fees.
- 24/7 operating requirements.
- 9:00 am- 5:00 pm staffing of an office location.
- Vehicle markings.
- Removing the ability to use dynamic pricing to respond to the market's needs.

Differences between ridesharing and taxis

Ridesharing needs smart regulations designed for this new and innovative industry





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| <ul style="list-style-type: none"> ● Rideshare vehicles are driven by private citizens primarily for their personal (non-commercial) use ● Overwhelming majority of rideshare drivers only provide service on a part-time basis (less than 10hrs / week) ● Rideshare drivers pay a small Software License Fee to the Technology Company and the vast majority of the profit is kept by the individual driver ● Rideshare vehicles are driven less miles in connection with the Uber digital network vs. miles driven for personal use ● Demand is pushed to drivers through the app so they don't have an incentive to drive around finding street hails ● The rider knows the driver's name and picture before getting into the vehicle and always rates them to ensure the highest quality and safe practices (and after through digital receipt information) | <ul style="list-style-type: none"> ● One company owns the majority of the vehicles ● The vehicles are driven solely for a commercial purpose ● The majority of the payment from consumers is captured by the taxi company and not the driver ● Taxi drivers pay an fee to the owner of the plate and work long hours to try to break-even and make money for their families ● Multiple drivers operate the same taxi on a rotating basis and the vehicle is rented by the shift from the Company ● Taxis are operated during multiple shifts a day and drivers typically work full-time ● A typical taxicab is operated in excess of 70,000 miles a year [NYC Data] ● Taxi drivers must drive around to find "street hails" while looking at the side of the road rather than ahead |

WHAT IS UBER? We are a technology company with a mobile app that connects users with a safe and reliable ride. This means people in cities where we operate can get a ride when they want it and where they want it – with the touch of a button. We began operating in San Francisco in 2010 and today are in more than in 50 countries.

WHAT IS RIDESHARING? Ridesharing refers to the provision of transportation by a driver, in their personal vehicle, to a rider with whom the driver is matched through a transportation network company.

RIDESHARING RISK BY PERIOD OF OPERATION

| | PERSONAL USE | PERIOD 1 APP ON | PERIOD 2 RIDE | PERIOD 3 ON TRIP |
|--|---------------------|------------------------|----------------------|-------------------------|
| Known Rated Driver? | ✓ | ✓ | ✓ | ✓ |
| Cellphone in Car? | ✓ | ✓ | ✓ | ✓ |
| UberDriver App On? | X | ✓ | ✓ | ✓ |
| Earning Money? | X | X | ✓ | ✓ |
| Passenger(s) in Car? | X | X | X | ✓ |
| Passenger(s) Entering / or Exiting Car? | X | X | X | ✓ |

COMMERICAL RISK IS PRIMARILY IN PERIOD 3. Rideshare vehicles are most similar to personal vehicles until a passenger enters the rideshare vehicle in Period 3. Period 3 is exposed to multiple incremental risks including a) up to 6 additional paying passengers who are each potential liability insurance claimants, b) passengers entering and exiting at the side of the road, c) loading and unloading of baggage

RIDESHARE VEHICLES ARE NOT ALLOWED TO ACCEPT STREET HAILS. Rideshare vehicles (uberX) agree to only accept requests for transportation through the Uber digital network. Rideshare vehicles are not permitted to accept street hails and Uber supports laws that prohibit the acceptance of street hails by rideshare vehicles.

UNDERWRITING RISK: RIDESHARE VEHICLES VS. TAXIS



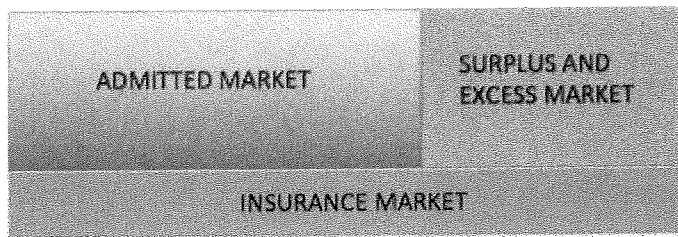
- Rideshare vehicles are driven primarily for personal use.
- Rideshare vehicles are driven by a known driver
- Drivers of rideshare vehicles only provide service on a very part time basis
- Rideshare vehicles are driven less miles in connection with the Uber digital network in comparison to miles driven for personal use.
- Demand is pushed to drivers through the app so they don't have an incentive to drive around finding street hails
- Taxis are driven solely for a commercial purpose.
- Multiple drivers operate the same taxi on a rotating basis and the vehicle is rented by the shift
- Taxis are operated during multiple shifts a day and drivers typically work full-time.
- A typical taxicab is operated in excess of 70,000 miles a year [NYC Data]
- Taxis drivers must drive around to find street hails while looking at the side of the road rather than ahead.

SURVEY OF CITY RIDESHARE INSURANCE REQUIREMENTS IN PERIODS 1, 2 AND 3

| City | Ordinance | Period 1 Coverage (App On) | Period 2 Coverage (Ride Accepted) | Period 3 Coverage (On Trip) |
|-----------------|---|----------------------------|-----------------------------------|-----------------------------|
| Chicago, IL | Title 9, Chapter 9, Section 115 ¹ | \$20K/40K/15K | \$1MM | \$1MM |
| Houston, TX | Chapter 46, Article IX, Section 46 ² | \$30K/60K/25K | \$1MM | \$1MM |
| Minneapolis, MN | Title 13, Chapter 343 ³ | \$50K/100K/30K | \$1MM | \$1MM |
| Seattle, WA | Ordinance 124524 ⁴ | \$100K/300K/25K | \$1MM | \$1MM |
| Columbus, OH | Ordinance 1376-2014 ⁵ | \$50K/100K/25K | \$1MM | \$1MM |
| Tulsa, OK | Title 36, Chapter 1, Section 102 ⁶ | \$25K/50K/25K | \$1MM | \$1MM |
| Baton Rouge, LA | Title 10, Chapter 8, Section 10 ⁷ | \$50K/100K/25K | \$1MM | \$1MM |

- Every major city that has passed a TNC ordinance, has decided Period 1 risk is less than Periods 2 and 3.

¹ [http://www.amlegal.com/nxt/gateway.dll/illinois/chicago_il/municipalcodeofchicago?f=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:chicago_il](http://www.amlegal.com/nxt/gateway.dll/illinois/chicago_il/municipalcodeofchicago?f=templates$fn=default.htm$3.0$vid=amlegal:chicago_il)
² <http://www.houston.tx.gov/ara/chapter46docs/2014-754.pdf>
³ <http://www.minneapolismn.gov/www/groups/public/@regservices/documents/webcontent/wcms1p-129014.pdf>
⁴ <http://clerk.seattle.gov/~scripts/nph-brs.exe?s1=124524&Sect4=AND&I=MAX&Sect1=IMAGE&Sect2=THESON&Sect3=PLURON&Sect5=LEGI2&Sect6=HITOPF&d=LEGA&p=1&u=http%3A%2F%2Fclerk.seattle.gov%2F~public%2Flegisearch.htm&r=1&f=G>
⁵ <https://newords.municode.com/ReadOrdinance.aspx?OrdinanceID=661542&DataSource=>
⁶ <http://councildocs.tulsacouncil.org/SuperContainer/RawData//H76A3MX1H87201432543/14-678-1.pdf?a=1>
⁷ <https://library.municode.com/index.aspx?clientId=10107>



WHAT IS THE SURPLUS LINES MARKET?

- The surplus lines marketplace is an essential part of the national insurance market.
- Just like the standard or admitted marketplace, it operates successfully in the state-based regulatory system where business is exported from one state to another.
- Generally, when an insured is unable to secure needed insurance through licensed insurers, also known as admitted insurers, the insured may secure coverage through the surplus lines market.
- The surplus lines market is accessed through special state licensed brokers.
- The surplus lines market plays an important role in providing insurance for new and innovative industries that have a short underwriting history.
- Surplus lines insurers are able to quickly react to market changes and accommodate the unique needs of insureds that are not served by admitted carriers.
- Create skillfully tailored products that are designed specifically for the innovative industries vs. trying to apply a “one size fits all” product like the admitted marketplace.

THE SURPLUS LINES MARKET IS FINANCIALLY STRONG

- According to A.M. Best, 2012 surplus lines premium volume exceeded \$34 billion.
- For the ninth year in a row, the surplus lines industry reported no financially impaired companies in 2012.
- Domestic surplus lines insurers continue to maintain a higher proportion of secure ratings than the overall property/casualty industry.
- Surplus lines insurers are subject to solvency requirements of their state of domicile and overseen by that states regulator.
- AM Best Report: http://www.aamga.org/files/govtaffairs/2013_SurplusLinesReport.pdf

EXAMPLES OF RISKS INSURED BY THE SURPLUS LINES MARKETPLACE

- Homeowners coverage in coastal areas
- Coverage for an athletes legs or hands
- A school district building a new high school
- Nonprofit aide organizations
- Pharmaceutical research labs
- Commercial Auto / Livery Providers
- Law Firms specializing in intellectual property
- Earthquake coverage

ABOUT JAMES RIVER INSURANCE COMPANY

- James River is an experienced surplus lines carrier, with a track record for developing innovative insurance products for new and emerging markets.
- James River is rated A- Excellent by AM Best
- James River is publically traded NASDAQ: JRVR







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FOR RELEASE ON RECEIPT

March 25, 2015

Insurance Rideshare Coverage Agreement Helps Protect the Public

CHICAGO- The following statement regarding the announcement that insurers, insurance trade associations and Uber have reached an agreement on addressing insurance gaps is from Paul Blume, senior vice president of State Government Relations for the Property Casualty Insurers Association of America (PCI).

“Over the next few years the sharing economy will continue to flourish and insurers will develop financially sound, innovative products to support new market opportunities. Yesterday afternoon PCI joined some auto insurers, some national trade associations and Uber in announcing model legislation (attached) to address the insurance gaps in coverage to help ensure safe transportation options that protect drivers, passengers and the public.

As we have already seen in states that adopted insurance coverage parameters, such as California and Colorado, the insurance market adapts and offers new solutions for various market segments.

Auto insurers, national trade associations and Uber are coming together to help eliminate consumer confusion, provide a framework for safe transportation options, and support continued marketplace innovation.

The TNC Insurance Compromise Model Bill will help bring clarity and consistency to TNC insurance laws, and will enhance consumer choice, increase entrepreneurial activity, and bring greater stability and confidence to the transportation network industry.

It still may take some time for the insurance market to refine state specific ridesharing solutions. Insurers will continue to work closely with the transportation network companies, insurance regulators, and the NAIC to help ensure the public understands their insurance coverage, the differences between transportation network companies, taxis and limos and how the public is covered when an accident occurs.”

PCI promotes and protects the viability of a competitive private insurance market for the benefit of consumers and insurers. PCI is composed of nearly 1,000 member companies, representing the broadest cross section of insurers of any national trade association. PCI members write more than \$183 billion in annual premium, 35 percent of the nation's property casualty insurance. Member companies write 42 percent of the U.S. automobile insurance market, 27 percent of the homeowners market, 32 percent of the commercial property and liability market and 34 percent of the private workers compensation market.

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U B E R

INSURANCE ALIGNED

POSTED BY JUSTIN KINTZ

Today, we're pleased to share an announcement made by some of the nation's leading insurance companies, a major insurance industry association, and Uber. Details of the announcement are below in the letter being shared with policymakers across the U.S.

We welcome and encourage other insurance companies, industry associations, and Transportation Network Companies to support this compromise, as we believe everyone benefits from appropriate insurance standards and safe transportation options.

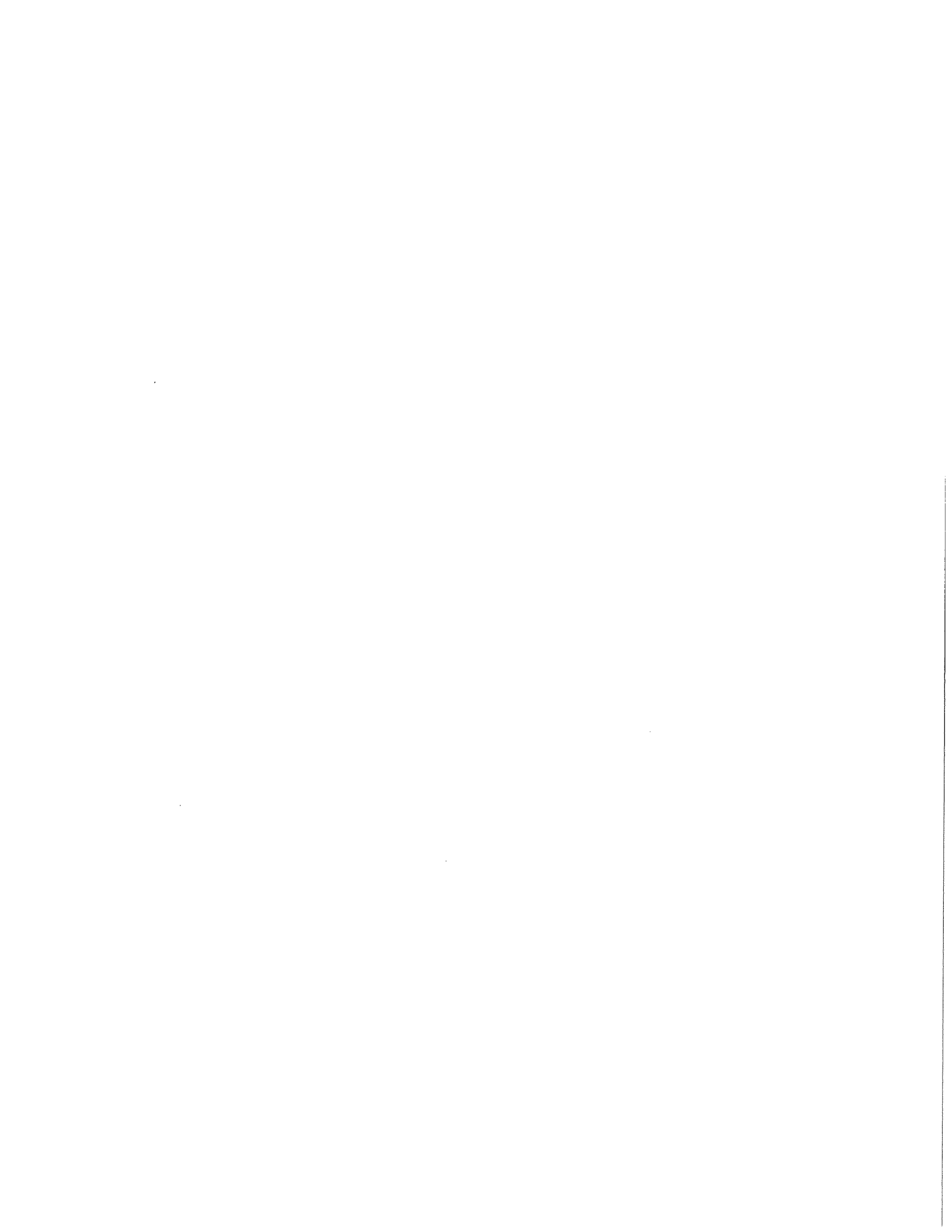
Here's a copy of the letter going out to policymakers:

Today, we're proud to share a TNC Insurance Compromise Model Bill that has been developed by some of the leading auto insurance companies and Transportation Network Companies (TNCs) and helps set consistent and modern insurance regulation for TNC services. Transportation network services have proven popular with consumers, and the traveling public will benefit from the addition of innovative, affordable and safe transportation options. The undersigned auto insurance carriers, Transportation Network Companies, and trade associations stand together in support of this insurance legislation, and encourage you to utilize this language to address TNC insurance issues in your state. The key elements of the TNC Insurance Compromise Model Bill include:

- *An insurance mandate of primary insurance coverage during Period 1 (logged in and available) with minimum liability limits of \$50/\$100/\$25K plus any other state compulsory coverage. Coverage is to be maintained by the TNC, TNC Driver, or a combination of the two.*
- *An insurance mandate of primary insurance coverage during Periods 2 and 3 (en route to pick up and carrying passengers) with minimum liability limits of \$1,000,000 plus any other compulsory coverage mandated of limos to be satisfied by the TNC, TNC Driver, or a combination of the two.*
- *Proof of TNC insurance to be carried by TNC Drivers.*
- *Mandatory claim investigation cooperation between auto insurers and TNCs.*
- *Express authorization of surplus lines insurance.*
- *Standardized definitions of TNC and TNC Driver.*
- *Disclosure language from TNCs to TNC drivers.*
- *Support for insurers to contractually exclude coverage related to TNC activities, if desired.*
- *Support for insurers to create innovative new products for TNC Drivers.*

The undersigned companies and associations agree that the TNC Insurance Compromise Model Bill strikes the right balance between encouraging innovative transportation options and creating a strong regulatory framework that protects consumers, respects contracts and ensures proper auto insurance coverage.

Allstate
American Insurance Association
Farmers Insurance
Lyft
National Association of Mutual Insurance Companies
Property Casualty Insurers Association of America
State Farm
Uber Technologies
USAA



U B E R

Comments from Madison Riders

"Reliable cars, responsible drivers, timely and cost effective. Uber has helped me out when stranded with a dead battery and to get home safely when I had that one to many glasses of wine at dinner with friends. You can never have too many options for getting people where they need to go safely."

"I use Uber in Madison for different reasons. One, being that if I'm going out at night and will be drinking alcohol, it keeps me legal and everybody is protected. I know I can push my Uber app and within just a couple or few minutes, I have a pleasant, dependable driver ready to take me where I need to go and the cars are always new, clean, safe and comfortable. The other reason Uber is a fantastic app for Madison, is that there is hardly any decent parking downtown. It's perfect for going to athletic events, etc. to get dropped off and picked up QUICKLY, without having to call the undependable taxi companies in this town. Madison needs to stay relevant with changes in the world and cannot allow itself to stay stagnant in the past. I use Uber whenever and wherever I travel. It's a brilliant way to get around and I will be extremely disappointed in the common council and mayor of this town for disrupting progress. It would actually be pathetic."

"Uber is needed in Madison. It's cheaper than cabs, the drivers are nicer than cab drivers, and the cars are cleaner than cabs."

"Uber is easier than taking a cab. I like Uber because it gives me a realistic option than driving impaired."

"Prompt, clean, friendly and knowledgeable service."

"No waiting for ride no matter where and when."

"Better value."

"Making a difference to people that need to make a living that current structure does not embrace."

"I was just in Madison this past weekend for a UW basketball game. We used UberX to safely transport our group around the city."

"Madison was very congested that night and UberX did a fantastic job."

"Please keep UberX for the sake of tourism in Madison."

"I need a safe and quality ride after getting off a megabus, especially when it's after midnight. I'm a tiny female and I feel safer in a Uber than in a regular taxi."

"Safe & clean & cheap and easy to reach transportation! Please don't force us to share rides! or pay unreasonable charges! I LOVE UBER"

"Uber is the most convenient cab service. It's hard getting a cab from other services in the area. Uber is reliable and friendly. I know exactly how long it will take and that I'm not being lied to. Other services tell you there's a cab on the way but you don't ever know an exact time. Uber allows me to receive an accurate estimated time of arrival and gets me home at a fast and cheaper rate."

"I am all for SMART regulation and government oversight when needed to protect citizens, but it would be an absolute shame to jeopardize Uber's existence when it is addressing a consumer need better than the competition. Let's be a hub of growth and opportunity in Madison, not a protectionist enclave suffering from lack of innovation and creativity."

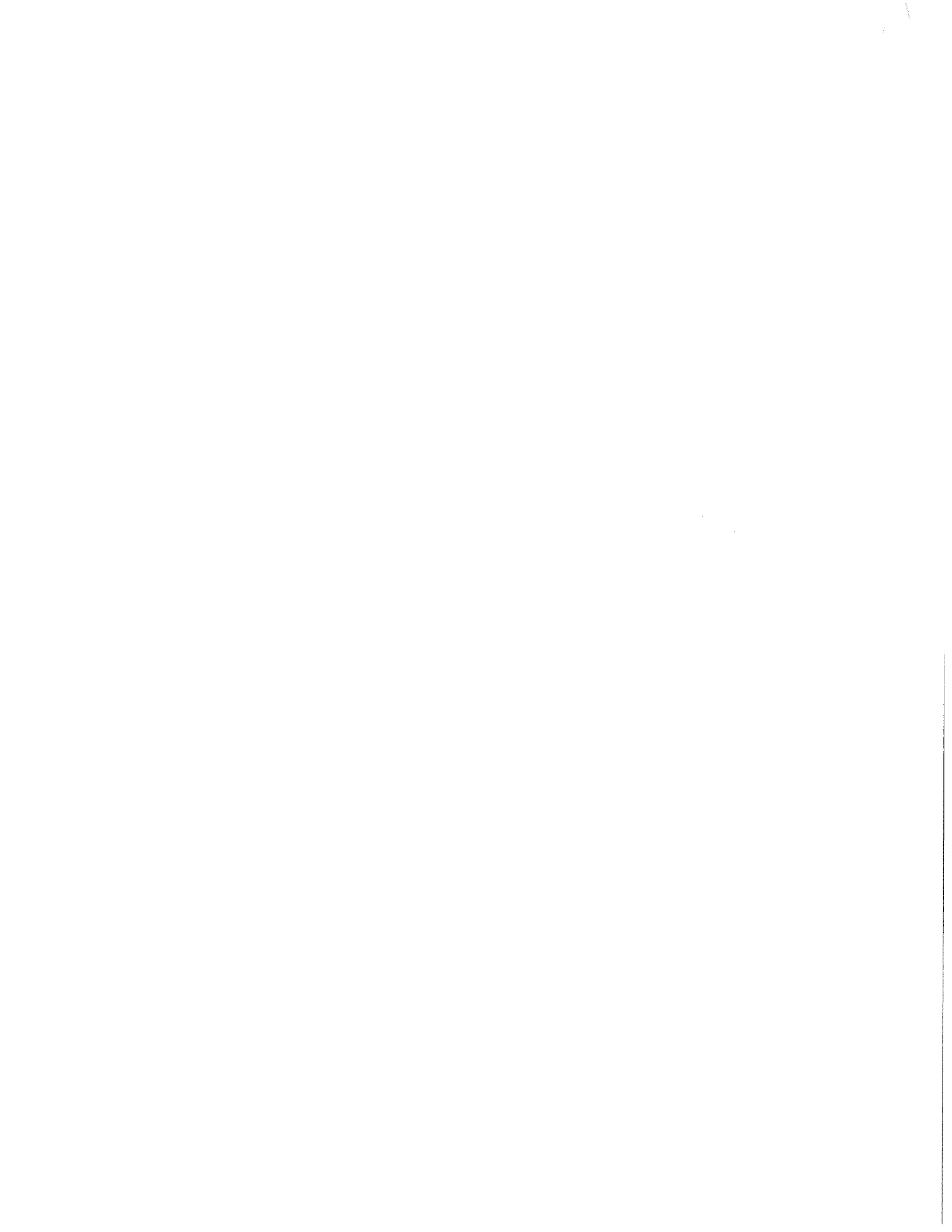
"I need Uber because they are the best service i've seen in the three years i've been here. they are fast, accommodating, and pleasant. it's easy to use and you can see exactly where your cab is. other services like badger cab can take anywhere up to two hours for service!! AND they pick up other people along the way. sometimes you are in the cab 30 minutes for a ten minute drive!! it's pretty ridiculous how money hungry they are. they over charge you for everything. uber is fast, easy, well priced and BEST OF ALL friendly. i have nothing but great things to say about every driver i've had. i will never use another cab service again. UBER NEEDS TO STAY!!!"

"Uber offers a convenience that Madison cabs cannot. In a city where cabs do not fill the streets (like NYC, LA, & Chicago) a solution like Uber allows people to find a safer alternative for many locations throughout Madison where cabs are not plentiful (Willy St, Monroe, Fitchburg, Craft breweries, etc) and understand how long of a wait it will be."

"Uber in Madison means no walking at night alone, it means getting a ride and knowing it will actually arrive, it means getting to my destination quickly and without stopping all over town to pick up multiple other people or drop them off, it means having an alert driver, clean vehicle, and prompt service, it means no driving under the influence, it means finding a ride out to the "burbs". It is the best thing that has happened with transportation in Madison in years!"

"It provides safe, reliable, and timely transportation that cabs just don't provide. It's fast and easy because you take out the middleman!"

"I need Uber in madison because its fast and reliable. The drivers are nice and professional. The cars are nice, clean and new. The riding experience is enjoyable. Wait times are way less than other taxis. Uber requires just a tap of the screen but other cabs you have to call and wait listen to the machine lot of time wasted right there. When I needed a ride in the snowy weather no rideshare company expt Uber was available to take me downtown."



U B E R

Madison Driver Partners speak about their Uber experiences...

"Uber has been a Godsend for me personally. I was unemployed for three years and although I found employment, I supplement my income on a part time basis. Finding work in a terrible economy has given me a new sense of purpose and control."

"As a single mom, veteran and full time student Uber allows me to work around my schedule and at my convenience. The clientele love the Uber service and pushing it out of Madison would be detrimental for all!"

"As a Veteran and a full time school teacher I want to let whomever know that Uber has allowed me to supplement my income to the point where I am not living check to check."

"As a driver, Uber has had a very positive impact in my life. As a young person, many of my friends have second jobs, and Uber is an extremely flexible gig that allows me to make extra money, while interacting with the good people of Madison. I drive when I am available, and have the ability to make more money when I need it. My day job is in commission sales, so on light weeks, I can always fall back on Uber and get out there and supplement my income."

"I've also worked several times after 1:30am, when cabs are scarce--as the Madison Police Department can attest--and have given several intoxicated people a safe alternative to driving drunk, ending up in detox, or waiting for a cab to show up--which could be hours. When its winter in Madison, a person doesn't have that long to wait; we all know hypothermia sets in quickly."

"Uber in Madison means a safe and reliable job for me, and a safe and reliable mode of transportation for riders."

"As a driver Uber has provided the opportunity for me to make extra cash to help my children through college and to allow for my wife and I to do things we couldn't otherwise afford like dining out 2-3 times per month."

"I love the social connections being an Uber Partner has provided; however I also like the fact that we are providing safe rides to countless more consumers than the cab companies could handle. This is evident every week by passengers stating they used to drive to and from events - now they always Uber."

"Uber for me means efficient transportation for a fare price at the right time. Cabbies here provide subpar service and at exponential cost. Additionally, I Uber in another city so it provides a positive source of additional income that allows me to meet important financial obligations."

"The only downside to Uber, from the point of view of both my passengers and I, is that Madison ordinances prohibit me from driving down State Street. This is a problem when passengers from out of town don't understand this restriction, or when some passengers are very intoxicated and can't make it to the nearest cross street (and can't find a cab on State Street)."

"I've heard some concerns about "redlining", the practice of not picking up customers in bad neighborhoods. I've never done that because, to me, its like refusing the chance to earn money. The passengers who I've picked up in the areas of Madison that are more impoverished, in my experience, tend to be more appreciative of the Uber service."

"Great transportation option, while cab company's give 45 min to an hour wait, you can get a uber within 10 to 15 mins. It's a great job opportunity and makes you feel like you are helping people get home safely. "

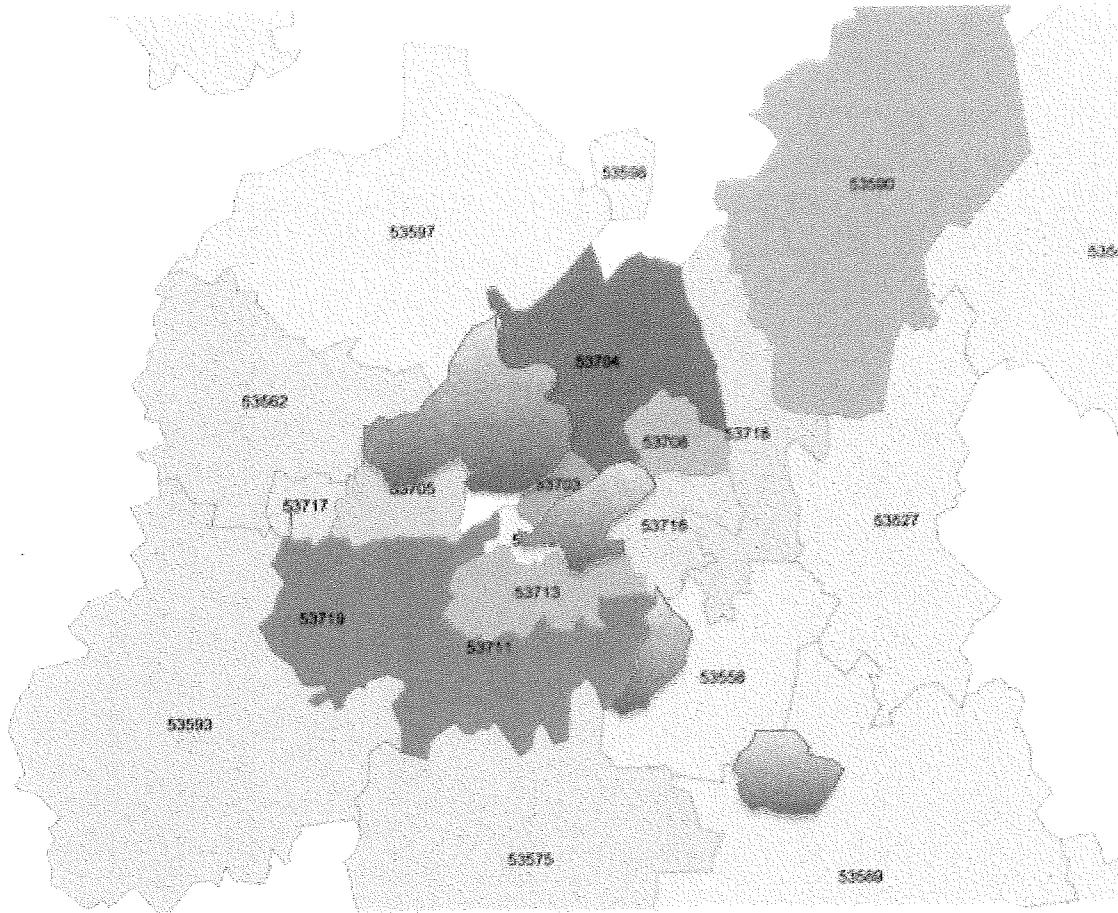
"Uber in Madison means a choice for its citizens! I've been driving for nearly four months now with close to 400 rides and I've not heard a single negative story about Uber. I've certainly not heard one that paints taxis in a more favorable light when compared with Uber and other ride-sharing platforms. People want choices. People want good service. People want to know that when they request a ride and a driver confirms, they're going to be picked up. People don't want to have to haggle and hassle with taxis who don't want to leave the downtown area. People don't want to have to deal with rude cabbies who say they take credit cards at the start of the ride but then, mysteriously, the card reader "doesn't work" and the passenger needs to have cash. People are tired of the old and want something new and fresh."

"I've been an Uber driver for about a year now. I needed a second job, I like driving, but wanted more flexibility than a job (like a part-time taxi driver) would provide. I also like driving my own vehicle because I know the maintenance that's been done, what needs to be done soon, and I take pride in its cleanliness."

"In my experience as an Uber driver, passengers have noted how clean my car is and how they appreciate knowing how far away a driver is, getting my picture of me (which Uber provides) and knowing that Uber has done a background check on me. My passengers have told me stories of cab companies not answering the phones at bar times and giving them erroneous times (being told a cab would be there in 30 minutes when the cab shows up over 90 minutes later, if at all). My passengers say cabs smell, but my car--again, my car, which I maintain and take pride in--smells clean."

"...there have been times when I've picked up female passengers and they've said "I'm so glad you're here! Just drive." In those times, I just start driving. In each case, it's been because they felt threatened by someone and I got there quickly--thus keeping them safe."

Map of Drivers by Zip Code



*Darker shading represents more drivers.

