Intro to LYFT

Presentation the the Minnesota TNC Task Force

Saahil Karpe
Brent Kent

Agenda

- Driver Onboarding
- Earnings Transparency
- Insurance
- Safety

Driver Onboarding

Requirements to Drive

- Vehicle requirements:
  - 2008 or newer for Rochester, Duluth, Minneapolis and Saint Paul
  - 2007 or newer for other cities
  - 4 doors, 5-8 seats, not a taxi or stretch limousine, not titled as salvage, non-repairable/rebuilt/equivalent

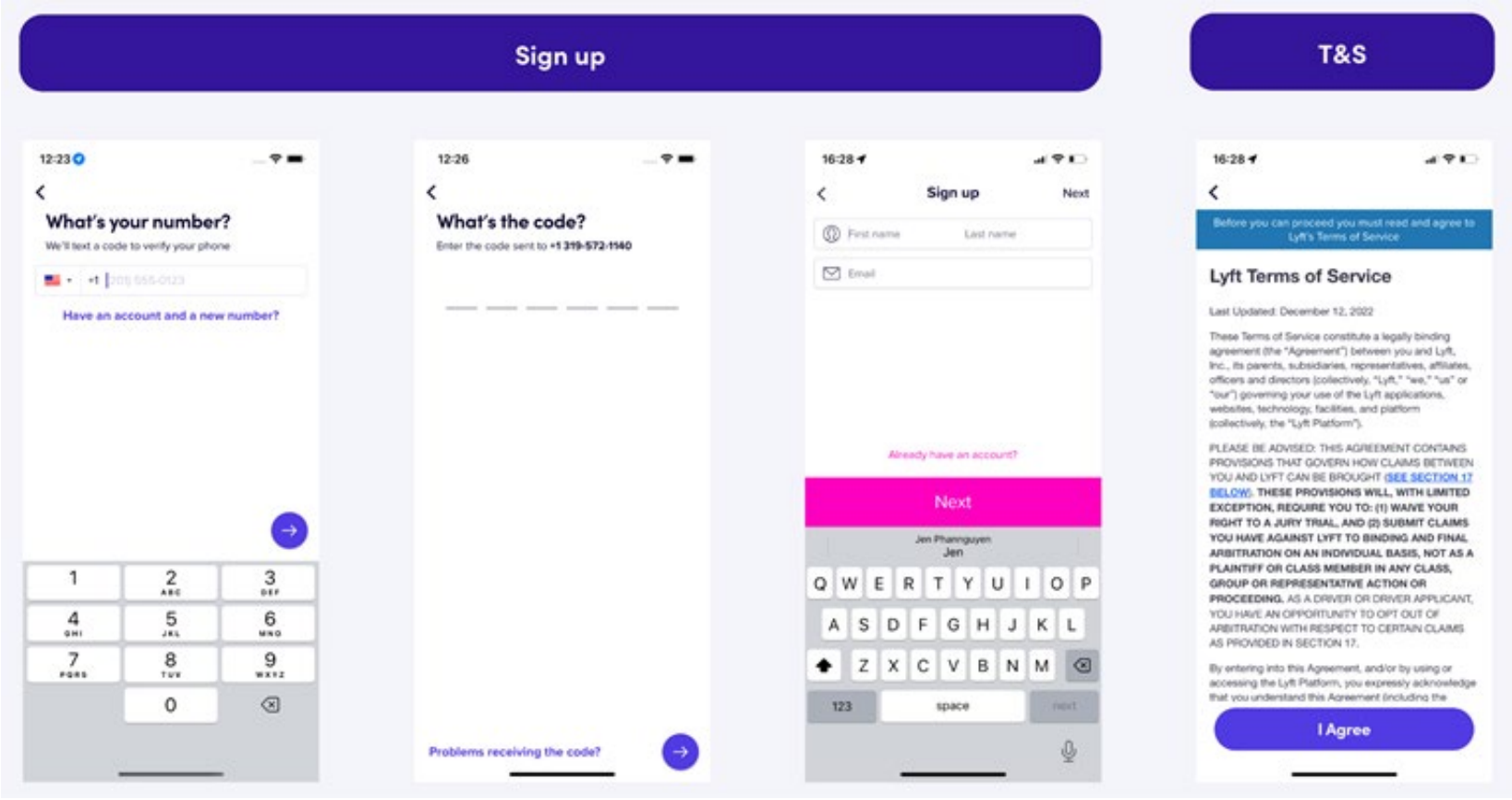
- Driver requirements:
  - Valid driver's license
    - For Minneapolis and Saint Paul: needs to be a MN or WI DL
  - 25 years or older
  - Pass a driver screening, which includes a review of driving history and criminal background check
  - Any smartphone that can download and run the Lyft Driver app.

- Document requirements:
  - Driver profile photo
  - Vehicle registration
  - Personal vehicle insurance (as required by the state of MN)
  - Vehicle inspection

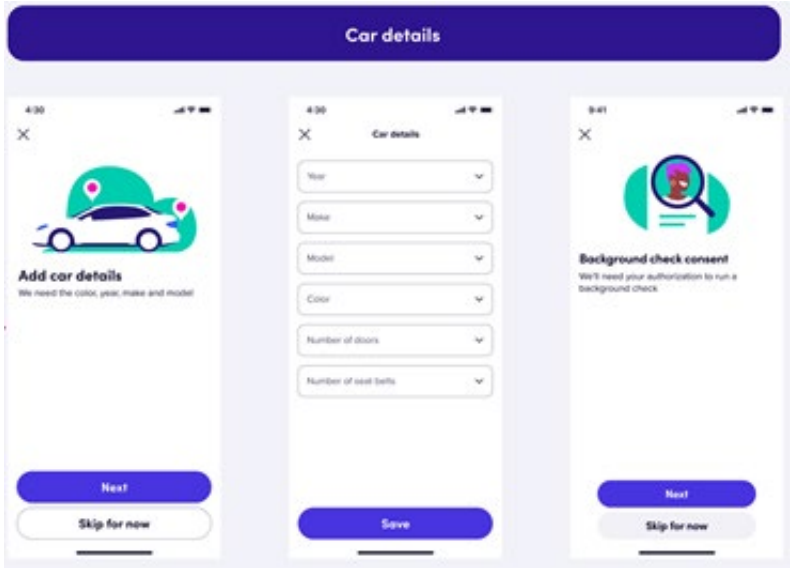
- Drivers are required to display two Lyft emblems while in driver mode

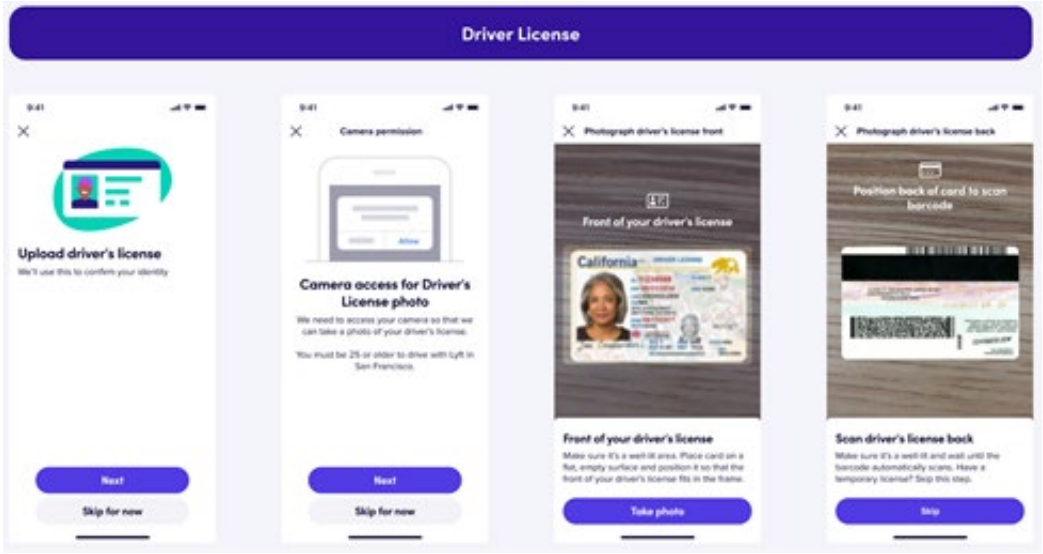
Full list of MN requirements
Full list of MSP requirements

Signing Up


Sign up
T&S
12:23
What's your number?
We'll text a code to verify your phone
Have an account and a new number?
12:26
What's the code?
Enter the code sent to +1 319-572-1140
Problems receiving the code?
16:28
Sign up
Next
First name
Last name
Email
Already have an account?
Next
16:28
Before you can proceed you must read and agree to Lyft's Terms of Service
Lyft Terms of Service
Last Updated: December 12, 2022
These Terms of Service constitute a legally binding agreement (the "Agreement") between you and Lyft, Inc., its parents, subsidiaries, representatives, affiliates, officers and directors (collectively, "Lyft," "we," "us" or "our") governing your use of the Lyft applications, websites, technology, facilities, and platform (collectively, the "Lyft Platform").
PLEASE BE ADVISED: THIS AGREEMENT CONTAINS PROVISIONS THAT GOVERN HOW CLAIMS BETWEEN YOU AND LYFT CAN BE BROUGHT (SEE SECTION 17 BELOW). THESE PROVISIONS WILL, WITH LIMITED EXCEPTION, REQUIRE YOU TO: (1) WAIVE YOUR RIGHT TO A JURY TRIAL, AND (2) SUBMIT CLAIMS YOU HAVE AGAINST LYFT TO BINDING AND FINAL ARBITRATION ON AN INDIVIDUAL BASIS, NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY CLASS, GROUP OR REPRESENTATIVE ACTION OR PROCEEDING. AS A DRIVER OR DRIVER APPLICANT, YOU HAVE AN OPPORTUNITY TO OPT OUT OF ARBITRATION WITH RESPECT TO CERTAIN CLAIMS AS PROVIDED IN SECTION 17.
By entering into this Agreement, and/or by using or accessing the Lyft Platform, you expressly acknowledge that you understand this Agreement (including the
I Agree

Documentation





Lyft invests in encouraging drivers to join and continue driving on the platform

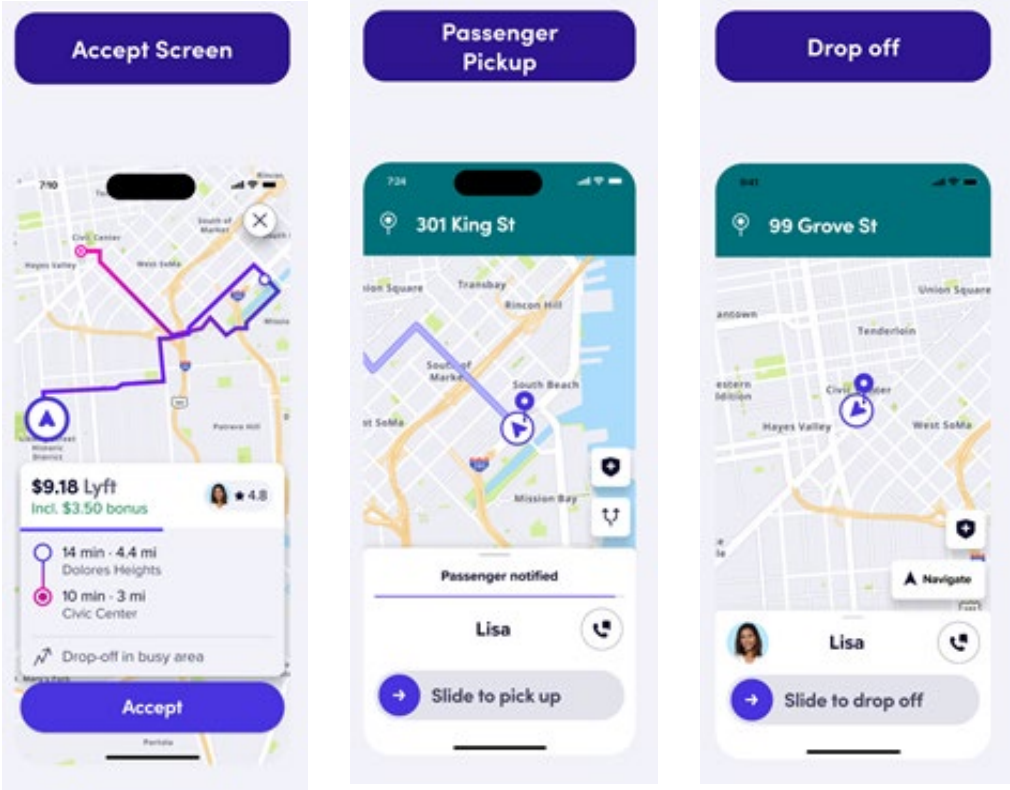
- Lyft's business model – a platform that matches supply and demand in real time
- Having adequate "driver supply" on the platform allows Lyft to match with riders to get them to their destination efficiently and on time
- Investing marketing resources into recruitment is a significant chunk of Lyft's operating expense in MN and nationwide
- In short, it is directly against Lyft's business model to deactivate drivers unnecessarily

Earnings Transparency

Upfront Pay – Destination and Earnings Control

- With upfront pay, drivers see what they'll earn before accepting a ride.
  - Pickup and drop-off locations
  - Estimated time and distance
  - Estimated fare

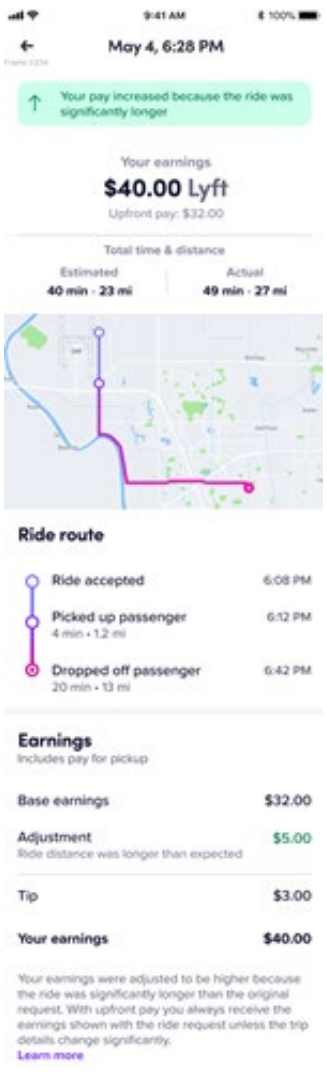
- The upfront earnings shown take into account a number of factors, including (but not only) projected time and distance.



Ride Receipts

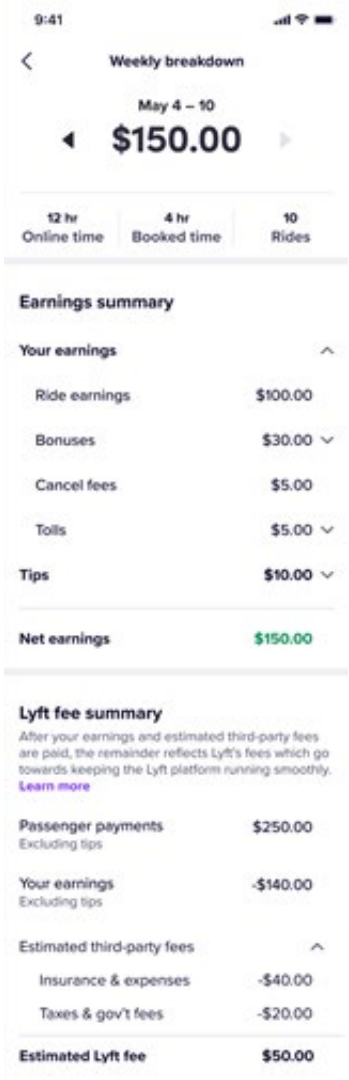
- After each ride, the driver **sees a receipt** that includes distance, trip time, and earnings. It also gets logged in their 'Ride History' in the Lyft app.

- Lyft encourages riders to tip drivers during the trip and after and **drivers have always received 100% of tips**

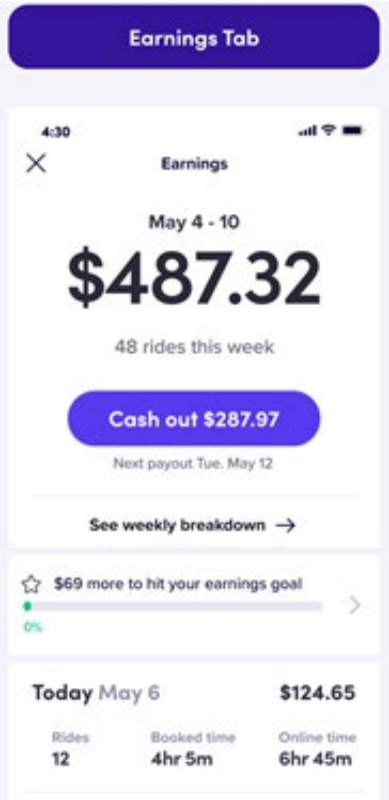


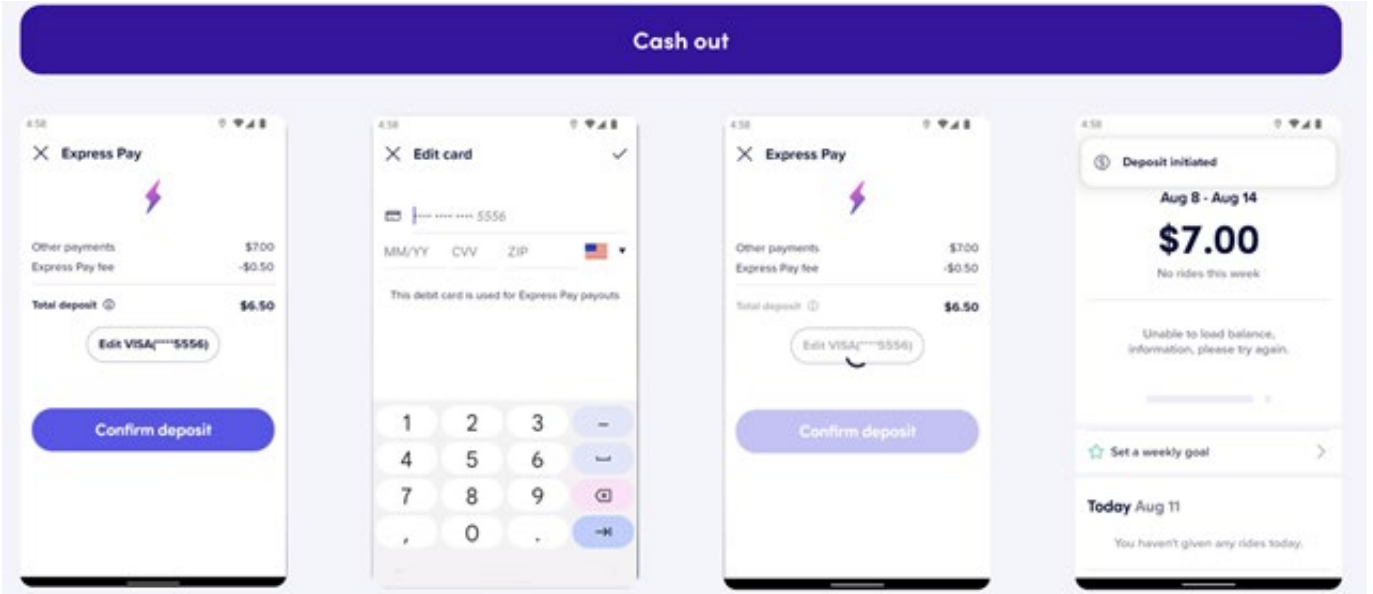
Weekly Breakdown

- Each week they drive, drivers receive a breakdown of the week's totals, including:
  - Total driver earnings
  - Total passenger payments
  - Third-party fees

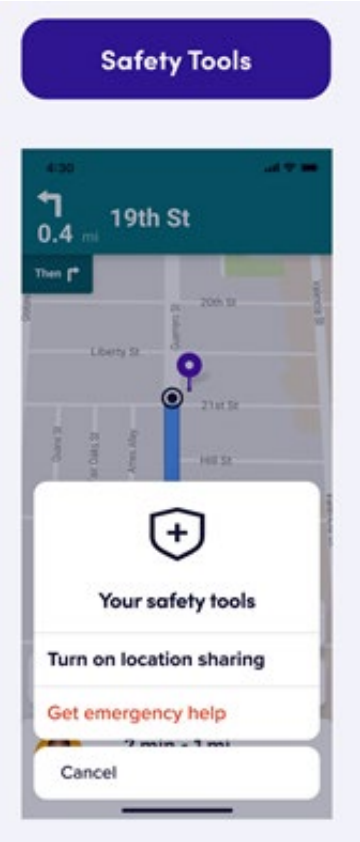


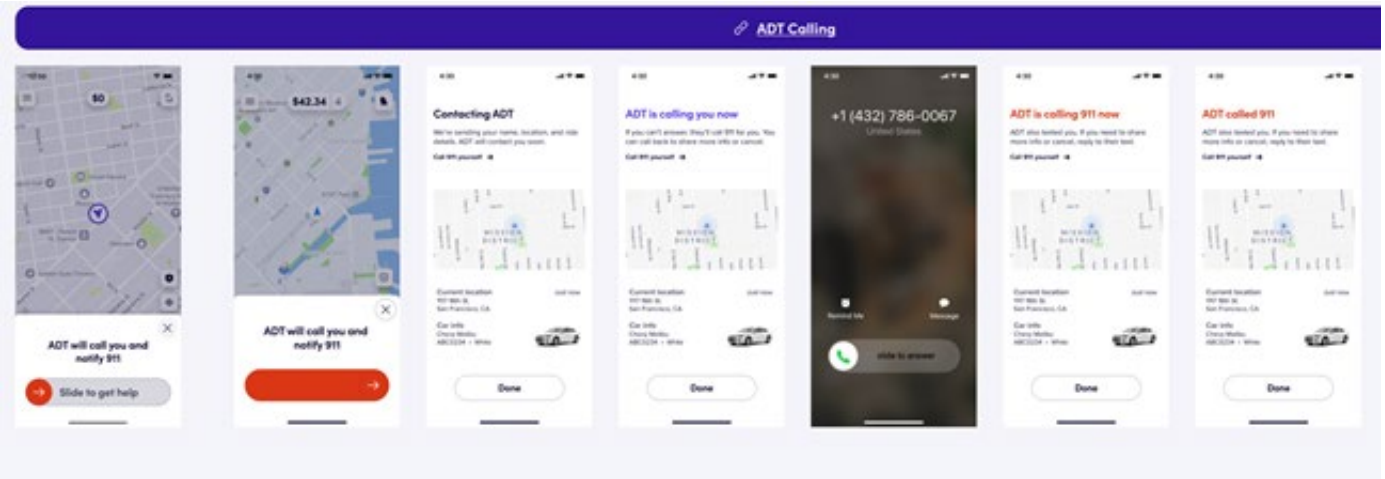
Cashing Out


Earnings Tab
4:30
Earnings
May 4 - 10
$487.32
48 rides this week
Cash out $287.97
Next payout Tue. May 12
See weekly breakdown
$69 more to hit your earnings goal
0%
Today May 6
$124.65
Rides
12
Booked time
4hr 5m
Online time
6hr 45m


Cash out
Express Pay
Other payments
$7.00
Express Pay fee
-$0.50
Total deposit
$6.50
Edit VISA(****5556)
Confirm deposit
Edit card
5556
MM/YY
CVV
ZIP
This debit card is used for Express Pay payouts
1
2
3
4
5
6
7
8
9
0
Express Pay
Other payments
$7.00
Express Pay fee
-$0.50
Total deposit
$6.50
Edit VISA(****5556)
Confirm deposit
Deposit initiated
Aug 8 - Aug 14
$7.00
No rides this week
Unable to load balance, information, please try again.
Set a weekly goal
Today Aug 11
You haven't given any rides today.

Location Sharing and Emergency Help





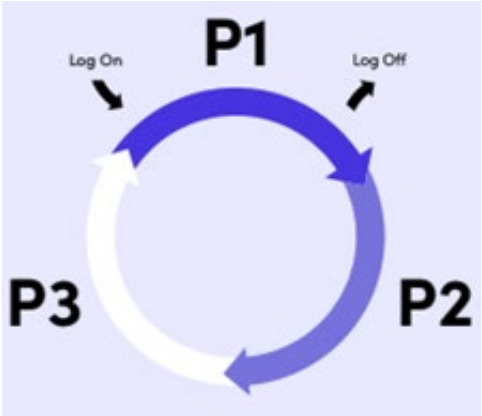
Driving “Periods” + Insurance

Periods 1, 2 and 3

- **“Period 1” (“or P1”)** is the time when a driver is logged into the app but hasn’t yet chosen to accept a ride offer. During P1, drivers receive ride offers based on their proximity to a rider and Lyft’s matching algorithm, but there is no obligation to ever accept any ride offer.
    - In fact, during P1, drivers are not obligated to do anything related to work and, in fact, can be on P1 on the Lyft app while simultaneously completing an offer on another ridesharing app, doing another job outside of app-based work, or even sitting on their couch doing nothing at all!

- **“Period 2” (P2)** is the time when a driver chooses to accept a ride and is on the way to the passenger.

- **“Period 3” (P3)** is all time spent completing the actual ride and dropping off a passenger.



Insurance Coverage While Driving with Lyft

Period	What applies?	Coverage Details
Coverage When the App is Off	Drivers' personal auto insurance coverage applies	The state of MN requires (with criminal penalty) the owner of any vehicle in the state to maintain personal automobile insurance coverage with specific minimum coverage for liability, personal injury protection (PIP), and UM/UIM. Minimum liability limits are: ● $30,000/person for bodily injury ● $60,000/accident for bodily injury ● $10,000/accident for property damage
Coverage when the app is on and waiting for a ride request (P1)	Lyft maintains third-party liability insurance for covered accidents (i.e. coverage for 3rd parties harmed as a result of driver action/fault)	● $50,000/person for bodily injury ● $100,000/accident for bodily injury ● $30,000/accident for property damage
	Lyft maintains PIP and UM/UIM	PIP coverage, irrespective of who it is at fault for an accident, up to $40,000 UM/UIM kicks in when another driver is at fault and that driver doesn't have sufficient liability coverage or is uninsured ($25,000 per person/$50,000 per accident)

Insurance Coverage While Driving with Lyft….continued

Period	What applies?	Coverage Details
Coverage from the moment a driver accepts a ride request until the passenger exits the vehicle (P2 and P3)	Lyft maintains third-party liability insurance for covered accidents	● $1,500,000 for third-party auto liability ○ Compared to $300k by taxi operators ● If a driver obtains comprehensive and collision coverage on their personal auto policy, Lyft then maintains contingent comprehensive &collision coverage up to the actual cash value of the car ($2,500 deductible)
	Lyft maintains PIP and UM/UIM	PIP coverage, irrespective of who it is at fault for an accident, up to $40,000 UM/UIM kicks in when another driver is at fault and that driver doesn't have sufficient liability coverage or is uninsured ($25,000 per person/$50,000 per accident) (same as P1 coverage)

MN Drivers and Riders

Drivers Choose App-Based Work because it works for them

Drivers can drive...

...WHEN THEY WANT.

48%
take **breaks of at least 4 consecutive weeks** in 2022, and then return to driving.

...FOR HOWEVER LONG THEY WANT.

93%
drive fewer than 20 hours per week.

...WHERE THEY WANT.

20%
drive in more than 1 metro area.

...WITH WHICHEVER APPS THEY WANT.

59%
work on **other app-based platforms.**

And can cash out when they want.

With Lyft, drivers can log on and off the app at any time.

Minnesota Drivers

91%
work or are students in addition to engaging in app-based work.

69%
have a job or are looking for a job outside of app-based work.

57%
routinely provide care for family members or other loved ones.

16%
own a business in addition to driving on the Lyft platform.

14%
are **students.**

96%
say a **flexible schedule is very or extremely important.**

17%
aged 55 and over.

5%
members of the **LGBTQ+ community.**

21%
speak a **language other than English** at home.

61%
members of a **community of color.**[1]

7%
Hispanic or Latin American.

7%
Asian, Asian American/Canadian, Native Hawaiian, or Pacific Islander.

4%
Native American, Alaskan Native, First Nation, Indigenous, or Métis.

41%
Black, African American/Canadian, or Afro-Caribbean.

1%
Middle Eastern, Arab, or Persian.

Minnesota Riders

A ride for everyone

55%
of rides start or end in **low-income areas.**

69%
of riders living with a disability say that Lyft has **increased their independence.**

91%
of riders living with a disability say that Lyft has **increased their access to transportation.**

Lower-income riders are significantly more likely than higher-income riders to use Lyft to find transportation...

3x...for their work commute — over 3 times as likely.
7x...for their school commute — almost 7 times as likely.
10x...to go to job interviews — more than 10 times as likely.
6x...for healthcare-related trips — over 6 times as likely.
5x...to run errands — over 5 times as likely.

Benefitting the communities in which we operate

Riders saved **2 Million** hours compared with other transportation modes. The estimated combined value of that time savings and travel cost savings as a result of Lyft is **$92 Million.**[4]

86%
of riders say that Lyft **increases access to transportation** in their communities.

43%
of riders **explore more areas of their cities** as a result of using the Lyft platform.

38%
of riders are **more likely to attend community events** as a result of using the Lyft platform.

66%
of riders use Lyft to find a rideshare driver **when they are planning to drink alcohol or use another substance** that could impair driving ability.

Minneapolis Riders v. Seattle Riders

While Lyft consistently finds that our riders have lower household incomes than the typical resident of their state or city, these trends are more pronounced in Minneapolis than in Seattle. While the median Washington rider has a household income that is 3.7% below the median for the state, **in Minnesota the gap is 17%.**

Minneapolis	Seattle
56% of rides start or end in low-income areas	39% of rides start or end in low-income areas
The median household income of Lyft riders last year in MN is $64k, below the state median of $77k.	The median household income of Lyft riders last year in WA is $79k, closer to the state median of $82k.
Median HH income in Minneapolis: $70,099	Median HH income in Seattle: $101,721

- The cost of living in Seattle is 32% higher than Minneapolis, meaning a person earning $50,000 a year in Minneapolis would need to make $66,130 a year in Seattle (Economic Research Institute)

Where We Go From Here

A win-win outcome is possible: In Washington, industry worked with bipartisan legislators and organized labor to support and pass legislation that set up a statewide framework.

The Way Forward

- Statewide proposal
- Earnings floor
- Pay transparency
- Protections against wrongful deactivations
- Guaranteed independence and flexibility