

Uber raises minimum age for most California drivers to 25, saying insurance costs are too high

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An Uber sign is displayed inside a car in Chicago, May 15, 2020. The Ride-hailing company Uber announced Aug. 24, 2023, that it will raise the minimum age for drivers who will transport others to 25. Credit: AP Photo/Nam Y. Huh, File

Uber raised the minimum age requirement for most of its new drivers in California to 25 on Thursday under rules the company said are necessary because of the rising costs of commercial auto insurance in the state.

The new rule applies only to drivers signing up to transport passengers with Uber's ride-hailing platform, and not for those delivering food with Uber Eats. Previously, people as young as 21 could sign up to drive customers, and the age limit for deliveries was 19.

Those under 25 who activated their accounts prior to Wednesday can continue to drive for Uber, the company said.

Insurance rates for Uber's California drivers are significantly higher than for personal vehicles or taxi drivers, according to a company statement announcing the change.

"As a result of these lopsided requirements, personal injury attorneys have created a cottage industry specializing in suing rideshare platforms like ours, pushing Uber's California state-mandated commercial insurance costs to rise by more than 65% in just two years," the company said. "By increasing the age requirement for new drivers to 25, we hope to mitigate the growth of those costs."

All 50 states require commercial insurance for drivers to earn money with a ride-hailing service. Uber maintains commercial auto insurance for drivers—including at least \$1 million of liability coverage once a ride is accepted. Personal auto insurance typically doesn't cover activity on ride-hailing apps.



An Uber sign is displayed inside a car in Palatine, Ill., Monday, May 22, 2023. The Ride-hailing company Uber announced Aug. 24, 2023, that it will raise the minimum age for drivers who will transport others to 25. Credit: AP Photo/Nam Y. Huh,File

The minimum age is already 25 for those driving for Lyft, Uber's main competitor.

Starting Thursday, drivers under 25 trying to sign up with Uber will receive an email explaining the new policy and providing a link to more information.

The new restriction coincides with a resurgence in passengers following a deep downturn due to the pandemic.

Uber is now handling more rides than it did in 2019, raising the company's hopes that it may finally realize its long-term goal of becoming consistently profitable.

Realizing that objective has sharpened management's focus on cost control, a factor that may have contributed to the decision to drop 25-and-under drivers.

Uber's food delivery service, which will continue to let that demographic work as drivers, accounts for one-third of the company's revenue.

Uber hopes to work with state lawmakers and industry experts "to discuss legislative and regulatory changes that will improve the experience for all California drivers," according to its statement.

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