

How Insurance Fees Shape Gig Mobility Economics



Delivery and Rideshare Insurance Fee Report

The Cost of Coverage: How Insurance Fees Shape Gig Mobility Economics

Insurance is now one of rideshare's largest fare components

Insurance is one of the largest cost layers inside a rideshare fare. Our insights show that platform-labeled insurance charges account for 21.0% of customer price, compared with base pay at 53.3%, platform fees at 14.9%, bonus pay at 9.8%, and other driver pay at 1.0%.

That means roughly one dollar out of every five paid by a rider is allocated to insurance before the remaining fare is split across driver pay, platform fees, and other components.

Uber and Lyft are closely aligned at the platform level, but the picture changes underneath the average. Ride type, trip distance, time of day, region, zip code, policy, and driver base pay all shape how insurance is reflected in the fare.

Chicago shows how much variation can exist inside a single metro area. The city's 20 poorest zip codes have higher insurance expenses per gig and a higher insurance share of customer price than the rest of the metro area, despite relatively similar trip distances.

Uber Eats adds another layer. Insurance expenses have declined since early 2024, and the regional pattern differs from rideshare. That makes service type another important part of the insurance story.

This report examines where insurance fits within the fare, how that cost varies across rideshare and Uber Eats, and what those differences reveal about the economics of gig mobility.

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Key Insights

- 01 Rideshare insurance expenses declined on both Uber and Lyft.**
From Q1 2025 to Q1 2026, average rideshare insurance expense fell 5.1% for Uber and 5.5% for Lyft. The two platforms moved almost in lockstep, pointing to a broader shift across major rideshare platforms rather than a one-platform change.
- 02 Uber Eats insurance expenses fell faster than rideshare.**
Average insurance expense per Uber Eats gig fell 8.3% from Q1 2025 to Q1 2026, continuing a decline visible since early 2024.
- 03 In the West, insurance fell while rider prices and platform fees rose.**
The West saw the sharpest regional drop in rideshare insurance expense, down 20.6% from Q1 2025 to Q1 2026. Over the same period, customer price rose 3.4% and platform fees rose 29.1%.
- 04 Driver base pay saw the smallest gain in the West.**
Driver base pay rose in every region from Q1 2025 to Q1 2026, but the West saw the smallest increase at 1.2%. That means the region with the sharpest insurance decline did not see a comparable increase in driver base pay.
- 05 A policy change helps explain the West's insurance decline.**
California SB 371 reduced mandated rideshare coverage limits in early 2026, which coincided with the sharp drop in West-region insurance expenses.
- 06 Chicago's lowest-income zip codes carry higher insurance costs.**
In Chicago, the 20 lowest-income zip codes have 37.6% higher insurance expense per gig than the rest of the metro area, despite relatively similar trip distances. Insurance also averages 18.3% of customer price in those zip codes, compared with 12.5% across all other Chicago metro zip codes.
- 07 Ride type and trip pattern still matter beneath the broader decline.**
Black SUV and Comfort rides carry the highest insurance premiums. From Q1 2025 to Q1 2026, insurance expense rose for 0 to 5-mile rides, while insurance expense declined for rides longer than 5 miles.

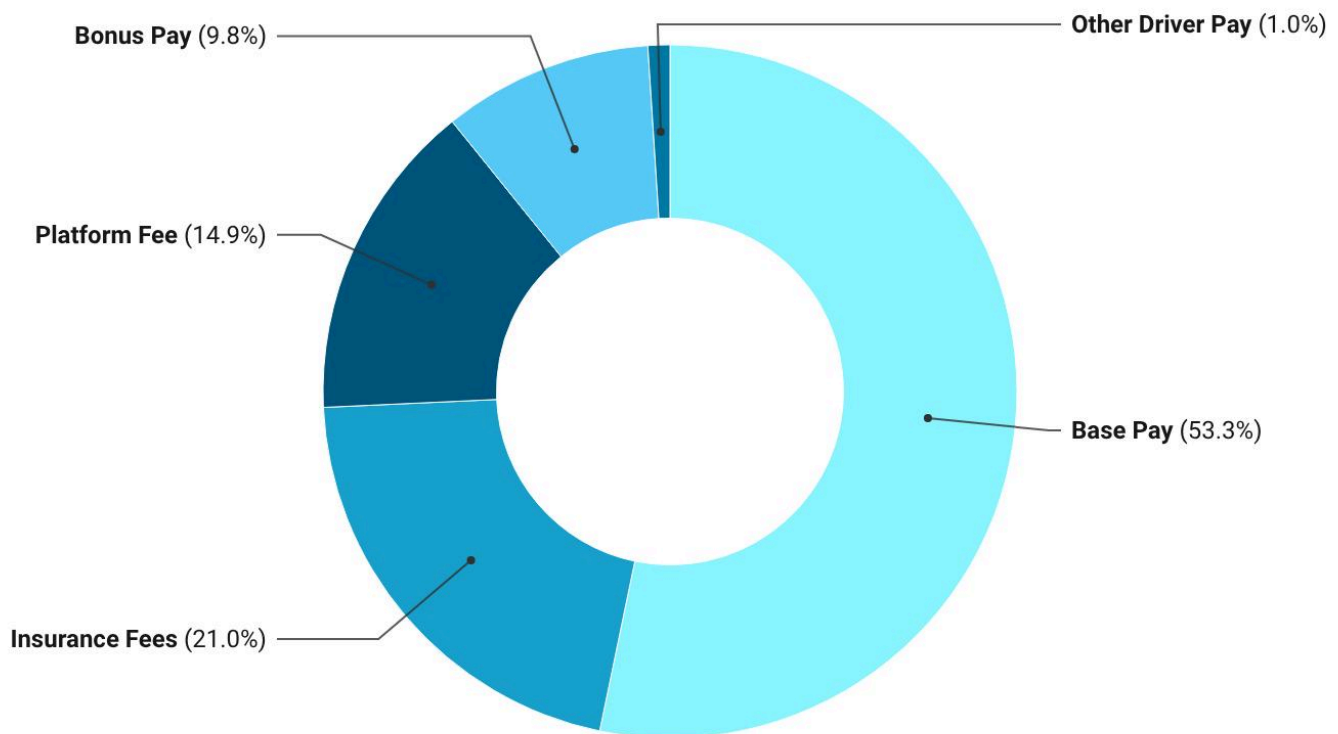
Insurance makes up a large part of what riders pay.

Insurance is one of the largest costs built into a rideshare fare. It accounts for 21.0% of the customer price, compared with 14.9% for platform fees and 9.8% for bonus pay.

That means roughly one dollar out of every five paid by the rider is allocated to insurance, making it a major recurring cost layer rather than a small add-on.

Insurance costs count for 21% of rideshare prices

Percentage of customer price per gig activity that goes to insurance fees vs driver base pay, driver bonus pay, other driver pay, and the platform fee.



A gig activity is defined by one unit of work for a rideshare driver. In most cases this includes only one trip. For pooled/shared rides this includes all rides that occurred in one pool.

Source: Gridwise Analytics | Services: Lyft & Uber | Timeframe: Q1 2026 | Geography: Nationwide • Created with Datawrapper

Uber and Lyft insurance costs follow nearly identical trends

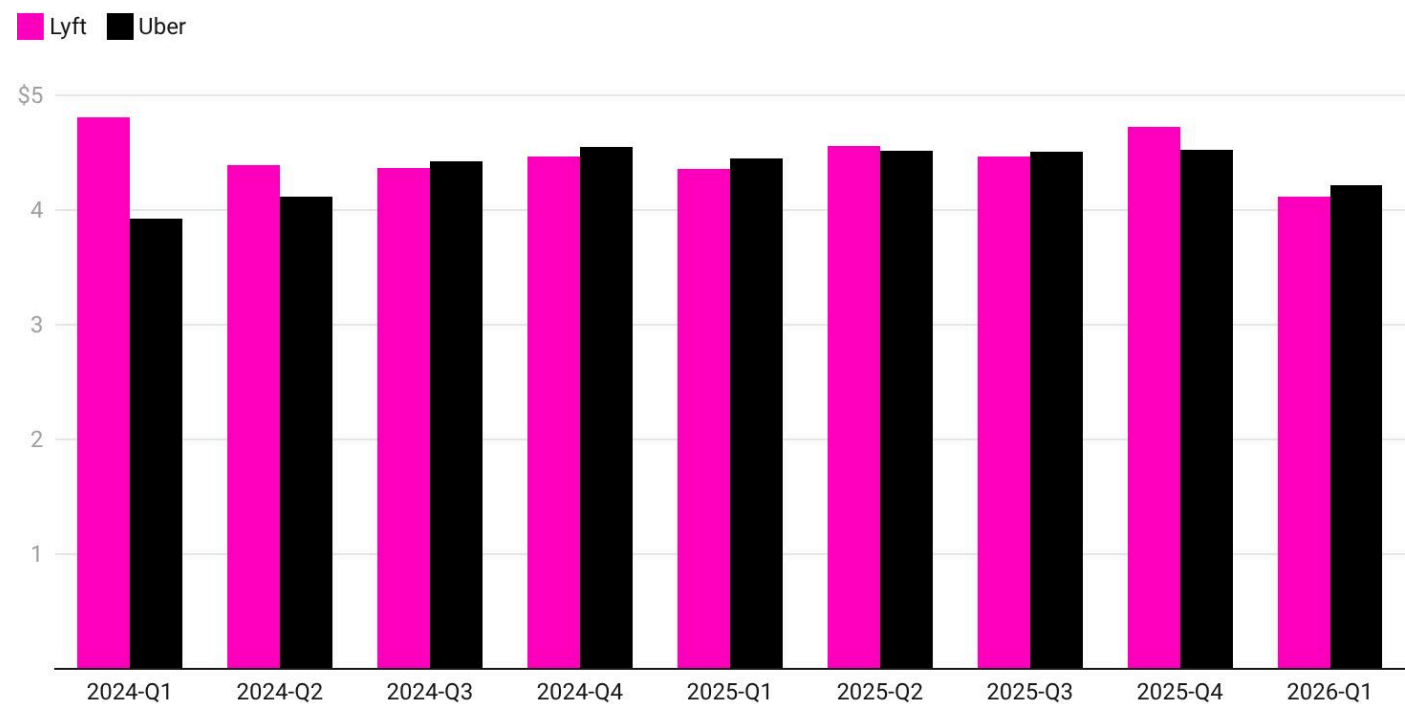
At the platform level, Uber and Lyft look more alike than different. After converging in 2024, average insurance prices stayed nearly identical.

From Q1 2025 to Q1 2026, average insurance expense declined 5.1% for Uber and 5.5% for Lyft.

That close movement suggests insurance is being shaped by broader rideshare cost conditions rather than a platform-specific outlier.

After converging in 2024, Uber and Lyft insurance prices are nearly identical

Quarterly average insurance expense per gig activity for Uber and Lyft rides



A gig activity is defined by one unit of work for a rideshare driver. In most cases this includes only one trip. For pooled/shared rides this includes all rides that occurred in one pool.

Source: Gridwise Analytics | Services: Lyft & Uber | Timeframe: Q1 2024 - Q1 2026 | Geography: Nationwide • Created with Datawrapper

Ride type shows where insurance costs start to diverge

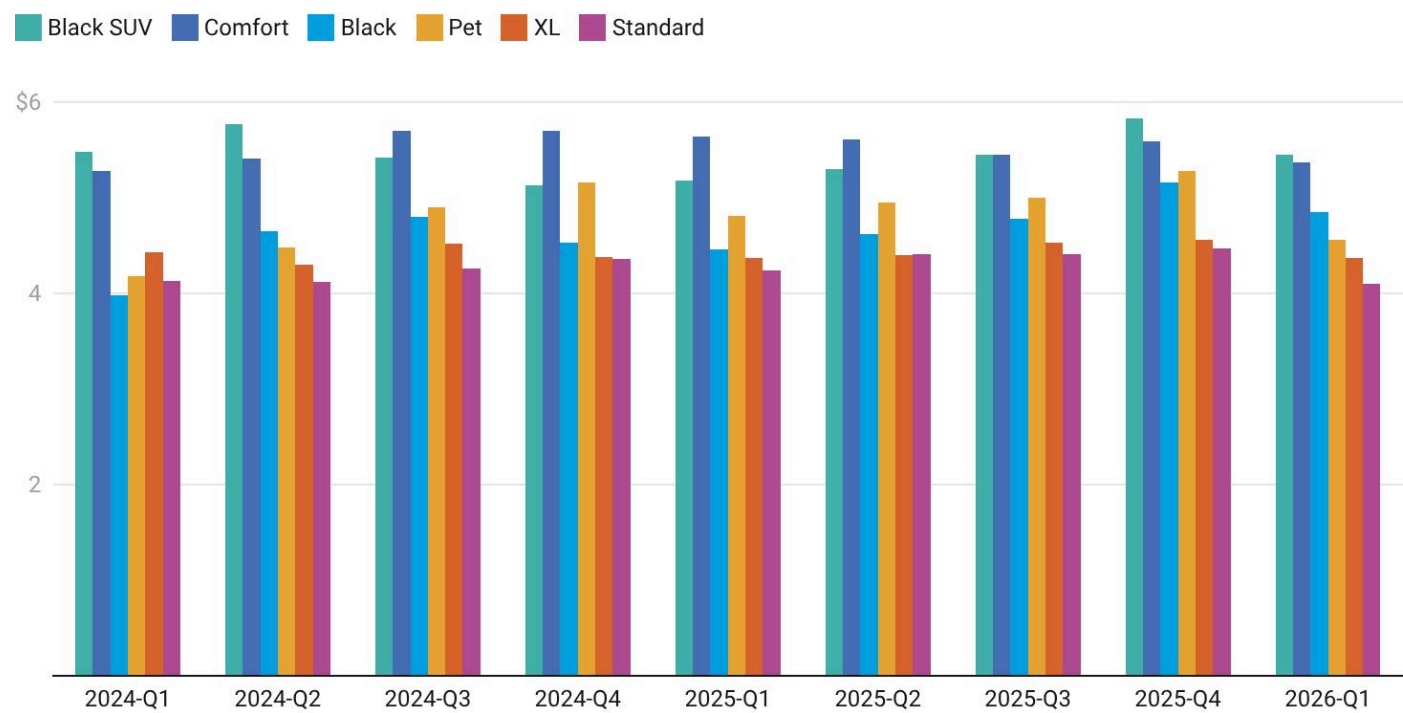
At the nationwide level, Uber and Lyft appear closely aligned overall, but ride type tells a more detailed story. Platform averages can make insurance costs look stable, while ride type shows where costs begin to diverge.

Black SUVs and Comfort rides carry the highest insurance premiums. These ride types often have different vehicle requirements, trip patterns, and fare levels, which can affect the insurance cost attached to each ride.

From Q1 2025 to Q1 2026, insurance expense increased 8.9% for Black and 5.3% for Black SUV. Standard declined 3.5%, Comfort declined 4.7%, Pet declined 5.1%, and XL was flat.

Black SUV and Comfort rides consistently have the highest insurance premiums for rideshare

Quarterly average insurance expense per gig activity for Uber and Lyft rides, by ride type



A gig activity is defined by one unit of work for a rideshare driver. In most cases this includes only one trip. For pooled/shared rides this includes all rides that occurred in one pool.

Source: Gridwise Analytics | Services: Lyft & Uber | Timeframe: Q1 2024 - Q1 2026 | Geography: Nationwide • Created with Datawrapper

Insurance costs differ when it comes to trip distance

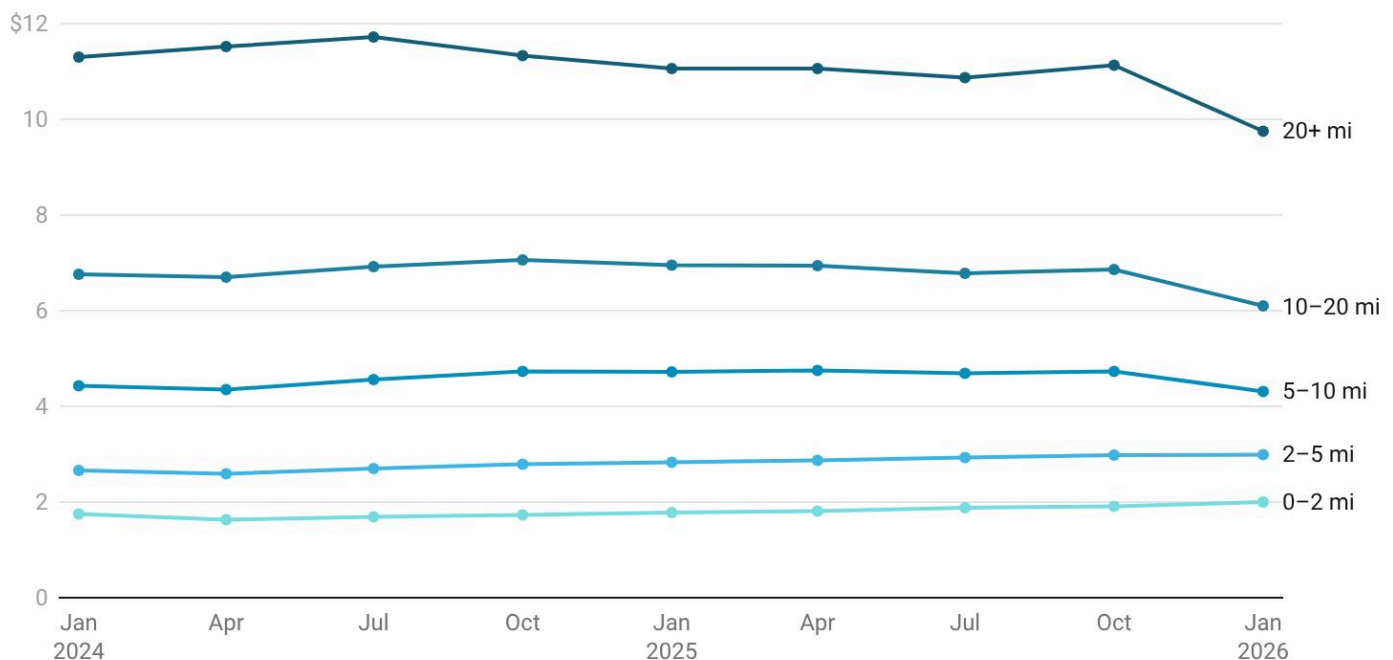
Nationwide, distance is one of the key factors driving variation in insurance costs across rides. Longer trips generally carry higher insurance amounts, but the year-over-year change differs by distance group.

From Q1 2025 to Q1 2026, insurance expense rose 12.4% for 0 to 2-mile trips and 5.7% for 2 to 5-mile trips. Over the same period, insurance expense fell by 8.6% for 5- to 10-mile trips, 12.3% for 10- to 20-mile trips, and 11.8% for 20+-mile trips.

Short trips became more expensive from an insurance standpoint, while longer trips became less expensive. Insurance still relates to trip length, but the change over time is not uniform across distance groups.

Longer trips see a decrease in insurance prices in Q1 2026

Quarterly average insurance expense per gig activity for Uber and Lyft rides, by distance bucket in miles. Buckets are exclusive of the maximum value.



A gig activity is defined by one unit of work for a rideshare driver. In most cases this includes only one trip. For pooled/shared rides this includes all rides that occurred in one pool.

Source: Gridwise Analytics | Services: Lyft & Uber | Timeframe: Q1 2024 - Q1 2026 | Geography: Nationwide • Created with Datawrapper

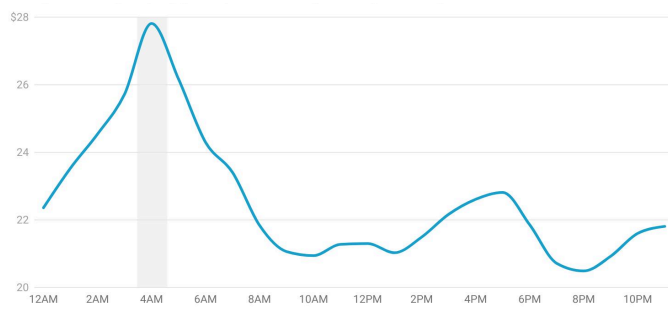
Time of day changes insurance patterns

Price, platform fee, and distance peak around 4 a.m. nationwide, likely reflecting longer airport rides and lower supply. Insurance expense peaks earlier, in the 2 a.m. block.

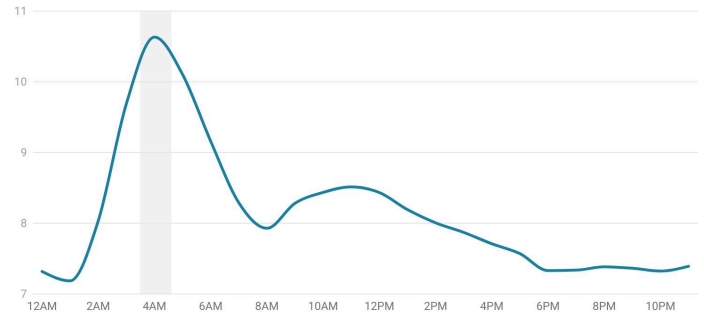
That difference suggests insurance does not always follow fare price or trip distance. The timing of a ride may carry its own cost signal.

Price, platform fee, and distance peak around 4 a.m. while insurance expense peak at 2am

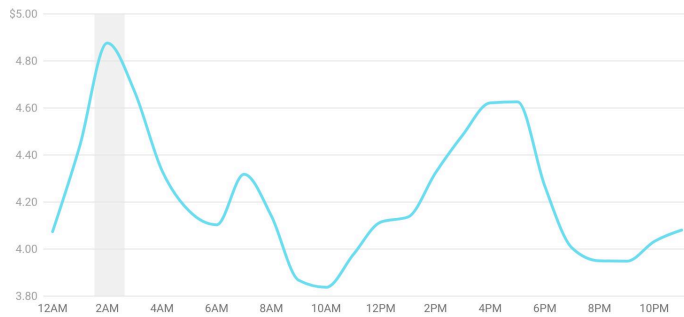
Average customer price per gig activity



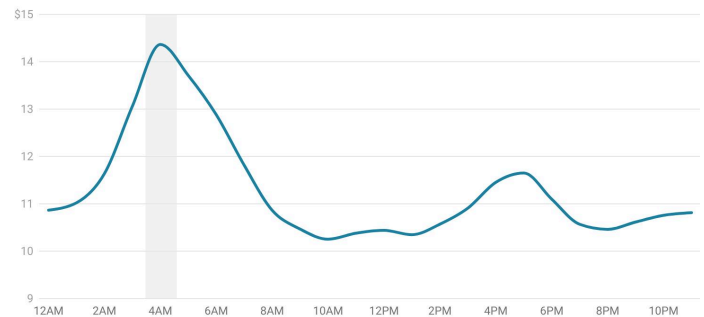
Average distance in miles per gig activity



Average insurance expenses per gig activity



Average workers base pay per gig activity



A gig activity is defined by one unit of work for a rideshare driver. In most cases this includes only one trip. For pooled/shared rides this includes all rides that occurred in one pool.

Source: Gridwise Analytics | Services: Lyft & Uber | Timeframe: Q1 2026 | Geography: Nationwide Created with Datawrapper

Regional markets shape insurance, fares, and platform fees

Rideshare insurance does not move the same way in every region. The West remains the highest-cost region for insurance, while the Midwest is generally the lowest. The East Coast, South, and Southwest sit closer together in the middle. From Q1 2025 to Q1 2026, the West saw the sharpest decline in insurance expense, falling 20.6%. At the same time, customer prices in the West rose 3.4%, and platform fees rose 29.1%.

That split is important. Insurance costs fell in the West, but the rest of the fare did not fall with them. Customer prices rose more slowly, while platform fees rose sharply.

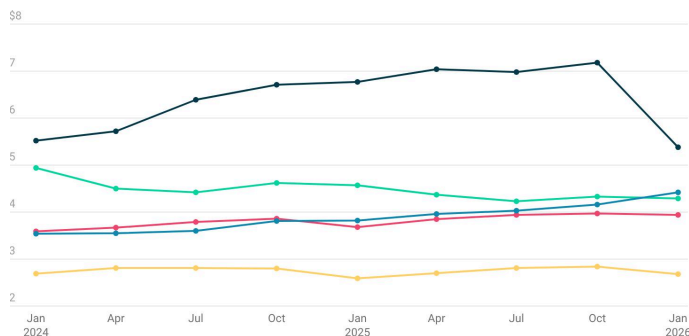
Other regions moved differently. Insurance expense fell 6.3% in the South, but rose 15.8% in the Southwest, 7.0% on the East Coast, and 3.5% in the Midwest.

The regional view shows that insurance is not a single national cost. Regional markets can change both the level of insurance expense and how that expense moves relative to customer price and platform fees.

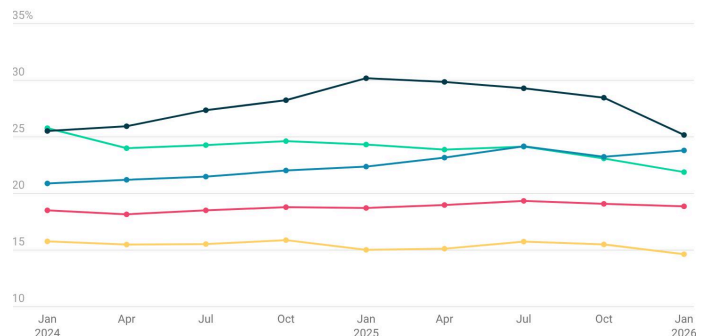
Regional economics heavily influence insurance, price, and fees for rideshare

— East Coast — Midwest — South — Southwest — West

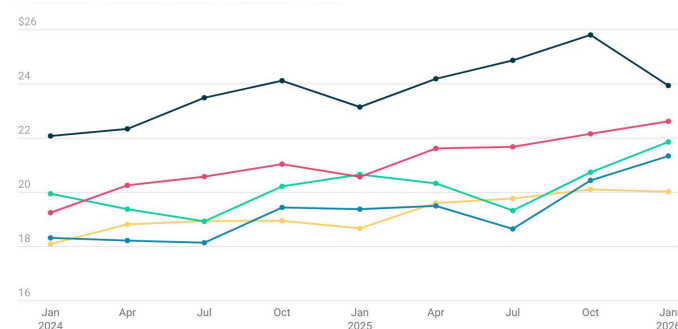
Quarterly insurance expense per gig activity, by region



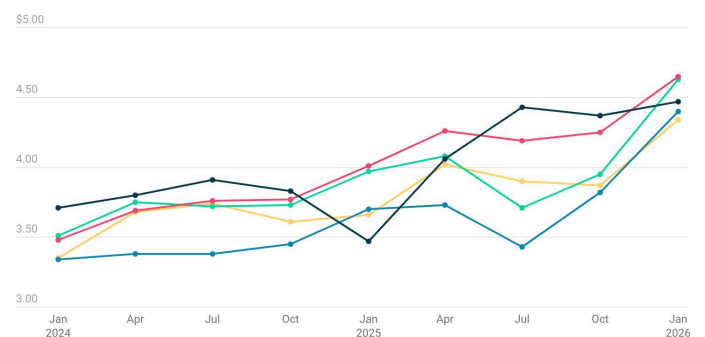
Quarterly insurance share of customer price, by region



Quarterly customer price per gig activity, by region



Quarterly platform fee per gig activity, by region



A gig activity is defined by one unit of work for a rideshare driver. In most cases this includes only one trip. For pooled/shared rides this includes all rides that occurred in one pool.

Source: Gridwise Analytics | Services: Lyft & Uber | Timeframe: Q1 2026 | Geography: Nationwide Created with Datawrapper

A policy shift helps explain the West’s insurance decline

The West’s sharp decline in insurance coincided with a major change in California’s rideshare insurance rules. Effective January 1, 2026, California SB 371 reduced the required uninsured and underinsured motorist coverage for transportation network companies from the prior \$1 million requirement to \$60,000 per person and \$300,000 per incident, while leaving the \$1 million liability coverage requirement in place.

That timing aligns with the sharp drop visible between Q4 2025 and Q1 2026. After SB 371 took effect, West-region insurance expense fell sharply, while the broader regional data still showed customer prices and platform fees moving higher year over year.

The pattern suggests that local insurance rules can materially affect the cost structure of rideshare fares. The relationship should be read as a plausible policy-linked explanation, not as proof of causality without state-level expense attribution.

Driver base pay saw the smallest gain in the West

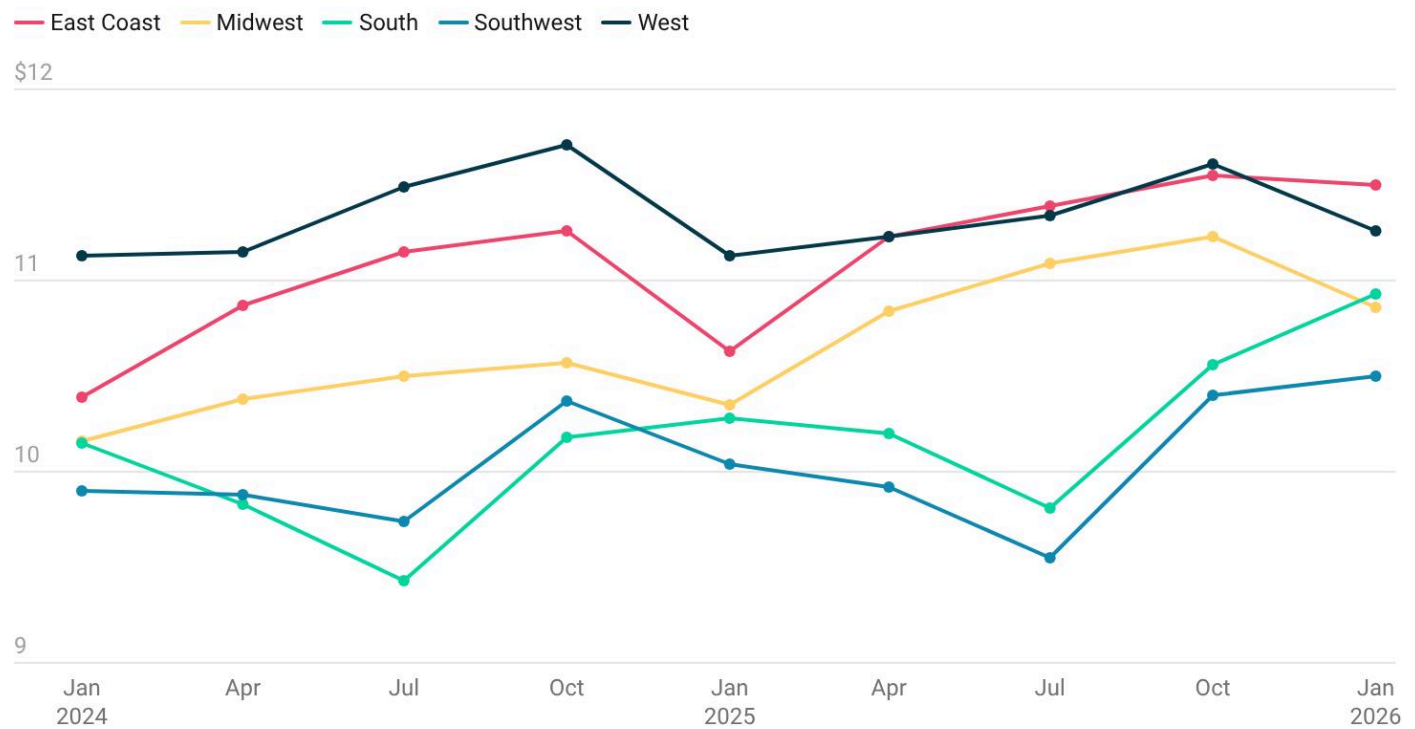
The West saw the sharpest drop in rideshare insurance expenses, but driver base pay did not rise by a comparable amount.

From Q1 2025 to Q1 2026, insurance expenses in the West fell 20.6%, while platform fees rose 29.1%. Over the same period, driver base pay in the West rose only 1.2%, the smallest increase of any region.

That pattern matters because the West was the clearest example of lower insurance costs in the data. The insurance line declined sharply, but the benefit did not translate into a comparable increase in the driver's base pay.

Rideshare driver pay has increased from 2024 to 2026 in all regions, with the West seeing the least improvement

Quarterly average driver base pay per gig activity for Uber and Lyft rides, by region



A gig activity is defined by one unit of work for a rideshare driver. In most cases this includes only one trip. For pooled/shared rides this includes all rides that occurred in one pool.

Source: Gridwise Analytics | Services: Lyft & Uber | Timeframe: Q1 2024 - Q1 2026 | Geography: Nationwide • Created with Datawrapper

Chicago shows how insurance costs can vary inside a single metro area

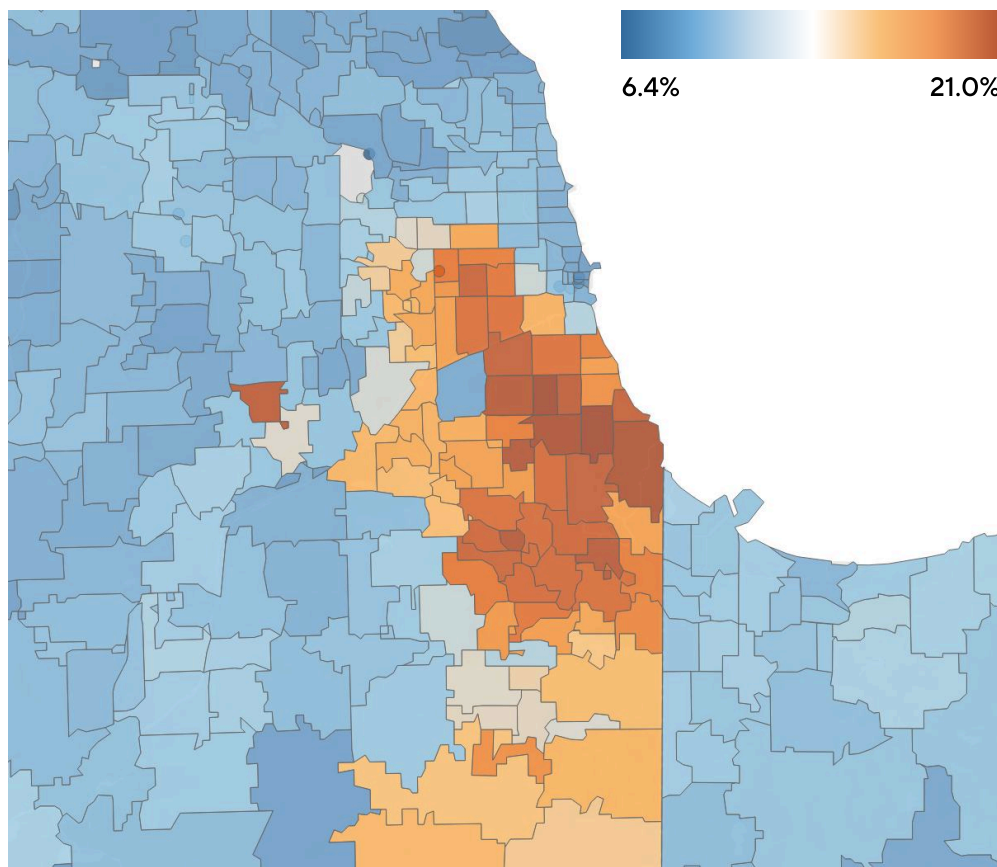
Chicago is an example of how insurance costs can vary at a sub-regional level. Even within a single metro area, neighborhood-level differences can affect how much of each fare is allocated to insurance.

The 20 lowest-income zip codes in Chicago have insurance expenses per gig that are 37.6% higher than the rest of the metro area, despite relatively similar trip distances. That means the higher insurance expense does not appear to be explained solely by longer rides.

Insurance also takes up a larger share of the fare in these neighborhoods. In the 20 lowest-income zip codes, insurance averages 18.3% of customer price, compared with 12.5% across all other Chicago metro zip codes. That is a 46.9% relative difference.

Chicago reveals insurance differences within one metro

Average percentage of insurance expense out of total customer price per rideshare gig, by zip code. Red is a higher percentage, blue is a lower percentage.



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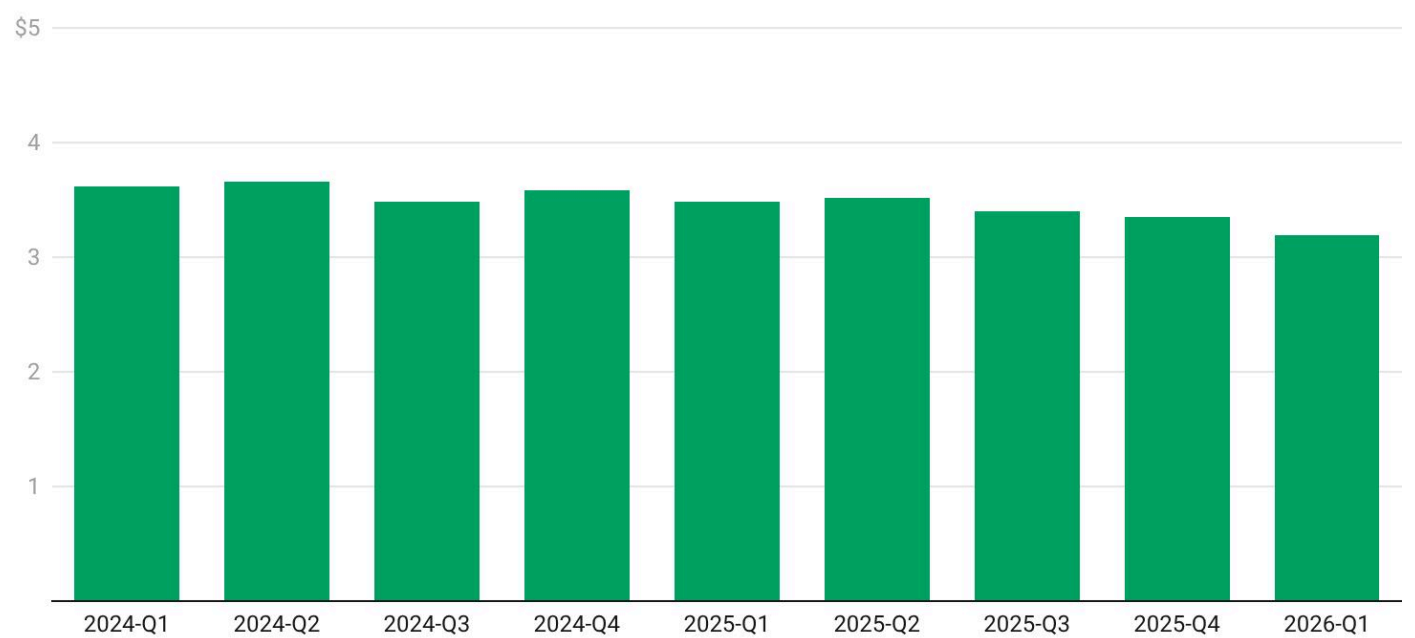
Source: Gridwise Analytics | Services: Lyft & Uber | Timeframe: Q1 2026 | Geography: Chicago metro area

Delivery insurance costs are declining

Uber Eats insurance expenses have generally declined since early 2024. From Q1 2025 to Q1 2026, average insurance expense for Uber Eats gigs fell 8.3%. That decline shows insurance costs are moving lower for both delivery and rideshare.

Uber Eats insurance expenses decreased from 2024 to 2026

Quarterly average insurance expense per gig activity for Uber Eats



A gig activity is defined by one unit of work for a worker. In most cases this includes only one delivery. For batched deliveries this includes all deliveries that were part of one unit of work - for instance picking up orders from one location and dropping them off at two different locations.

Source: Gridwise Analytics | Services: Uber Eats | Timeframe: Q1 2024 - Q1 2026 | Geography: Nationwide • Created with Datawrapper

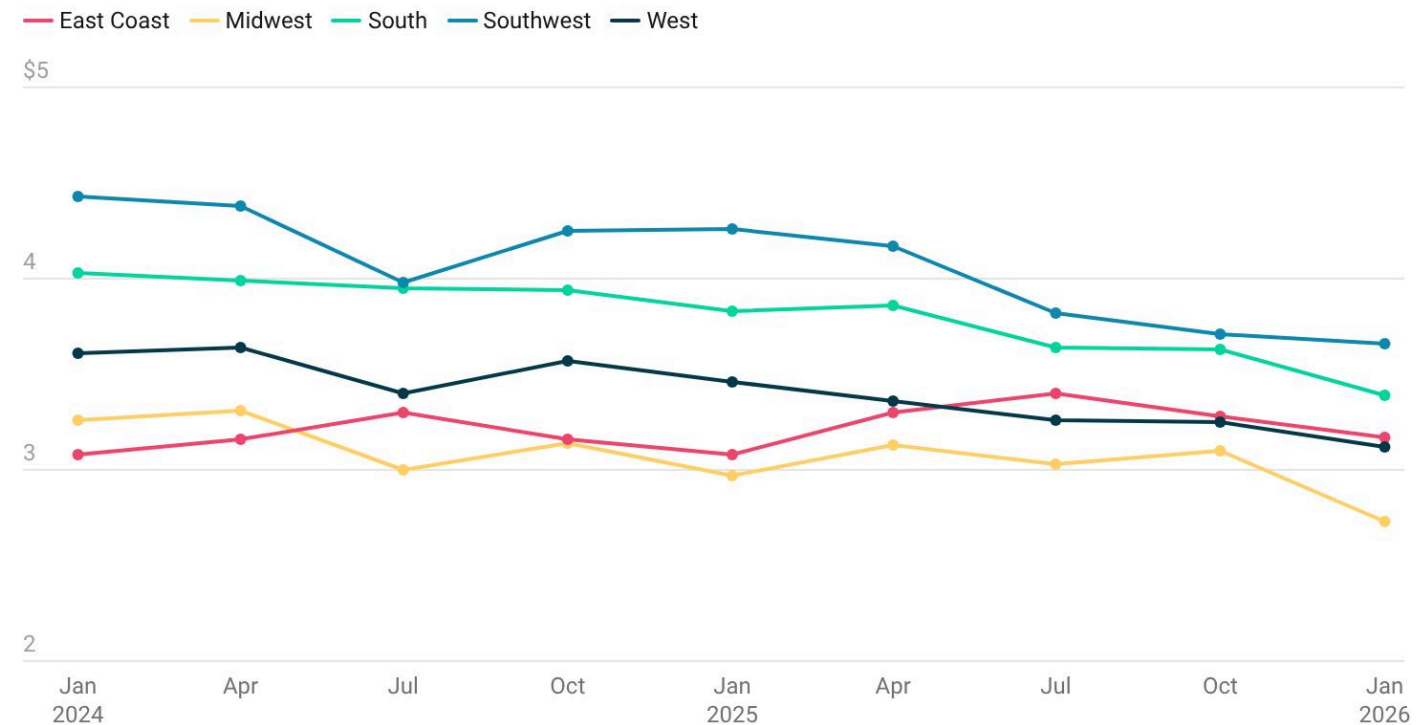
Delivery shows a different regional pattern than rideshare

Insurance expenses for Uber Eats do not follow the same regional pattern as rideshare. For rideshare, the West is the highest-cost region. For Uber Eats, the Southwest and South carry the highest insurance expenses, while the West sits lower in the regional ranking.

From Q1 2025 to Q1 2026, insurance expense declined in most regions: the Midwest down 8.0%, South down 11.5%, and West down 9.9%. The East Coast was the exception, rising 3.0%. Even within gig mobility, service type changes the regional cost structure.

The Southwest and South maintain the highest insurance expenses for Uber Eats deliveries

Quarterly average insurance expense per gig activity for Uber Eats, by region



A gig activity is defined by one unit of work for a worker. In most cases this includes only one delivery. For batched deliveries this includes all deliveries that were part of one unit of work - for instance picking up orders from one location and dropping them off at two different locations.

Source: Gridwise Analytics | Services: Uber Eats | Timeframe: Q1 2024 - Q1 2026 | Geography: Nationwide • Created with Datawrapper

Uber's own commentary points to lower insurance costs in 2026

The decline in insurance expenses also aligns with Uber's own 2026 commentary. On its Q1 2026 earnings call, Uber said it expected hundreds of millions of dollars in insurance line savings for U.S. Mobility, driven by improved auto insurance renewal rates and greater use of third-party carriers.

Uber also said some of those savings were being passed back into the market through lower ride pricing. The company did not give a precise Q1 savings figure, but the direction was clear: insurance costs were improving in 2026.

What insurance fees reveal about gig mobility

Insurance is a major cost layer inside rideshare. It accounts for about one-fifth of customer price and is one of the most significant components of the trip economy.

At the platform level, Uber and Lyft look nearly identical after converging in 2024. Beneath that average, the picture becomes more detailed. Ride type, trip distance, time of day, region, zip code, policy, and driver base pay all affect how insurance appears in the fare.

The West shows how quickly the insurance line can move when local rules change. West-region insurance expense fell sharply, but customer prices and platform fees rose, while driver base pay increased only slightly.

Chicago makes the local variation clear. The city's 20 poorest zip codes have higher insurance expenses per gig and a higher insurance share of customer price than the rest of the metro area.

Uber Eats adds another layer. Insurance expenses have declined since early 2024, and the regional pattern differs from rideshare. The Southwest and South carry the highest Uber Eats insurance expenses, while the West sits lower in the regional ranking.

Uber's own 2026 commentary points in the same direction, with the company citing expected insurance-line savings across U.S. Mobility.

The central takeaway: insurance is not just another fee inside gig work. It is a measurable cost layer that changes by service type, product mix, trip pattern, time of day, local market conditions, policy, and how fare economics are split between platforms and drivers.

Interested in Next-Level Insights?

Gridwise Analytics turns comprehensive, anonymized gig mobility data into actionable market-level intelligence for platforms, fleets, merchants, and investors.

To learn how these insights can be tailored to your business, contact us at sales@gridwise.io, visit www.gridwise.io/analytics or click the link below:

Contact Us

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Methodology



DATA CAPABILITIES

Gridwise Analytics leverages proprietary ground truth data sourced directly from workers using the Gridwise app to produce aggregated worker earnings insights. All data collected is anonymized to protect user privacy. Gridwise Analytics delivers an unmatched view of the US gig mobility economy by processing and analyzing its worker data to produce aggregated insights that encompass earnings, wages, trip insights, demand patterns, and driver utilization, providing a comprehensive understanding of the industry while ensuring complete anonymity for individual drivers.

The analysis presented in this report is based on a combination of real-world gig activity data and consumer surveys. The primary data sources include:

WORKER PANEL

- 1B+ tasks*
- \$11B+ in earnings aggregated
- 11B+ miles covered
- 3,000+ merchants
- 260+ KPIs mapped to 110+ public tickers
- 98% correlation with public company reporting on various metrics
- 2.2% median MAPE accuracy

**Tasks represent a completed gig activity, including rideshare trips, delivery orders, and non-mobility work such as Amazon Flex shifts.*



CORRELATIONS WITH PUBLICLY AVAILABLE DATA

Gridwise Analytics provides enterprises with a highly representative view of market dynamics through its extensive panel of gig drivers and mobility data across the US. The datasets are aggregated and anonymized to ensure a high degree of accuracy, with some metrics showing up to 98% correlation with key quarterly figures reported by some major gig platforms.

For example, when analyzing average daily Uber and Lyft trips in the New York City metro area, our data closely aligned with official figures reported by the platforms. This correlation highlights Gridwise Analytics' capability to provide unbiased, large-scale mobility insights that offer enterprises a holistic market perspective beyond individual platform data.



DATA PROCESSING PIPELINE

To ensure seamless and reliable data analysis, Gridwise Analytics has developed a robust data pipeline that processes and analyzes millions of data points on a daily basis in order to enable enterprises to make informed decisions with confidence. The key processing steps include:

- **Automatic Data Collection:** Driver activity is automatically recorded and tracked through the Gridwise app.
- **Data Quality and Enrichment:** Collected data undergoes rigorous cleansing, enrichment, validation, anonymization, and aggregation to maintain accuracy and integrity.
- **Data Intelligence:** Multiple layers of data—including supply, demand, routing, earnings, and utilization—are integrated and analyzed to generate comprehensive insights.

The final output provides a complete view of pickups, drop-offs, trip routes, and unit economics, which serve as a valuable foundation for operational, investment, and strategic decision-making.



DIVERSE AND REPRESENTATIVE DATASET

Gridwise Analytics' data network offers a more diverse and representative view of gig mobility compared to traditional sources. Unlike single-transaction receipt data, which captures the experience of a single consumer, Gridwise's scale enables broader insight. On average, each gig driver in our dataset represents approximately 19 consumer trips per week, creating a more robust and diversified sample of gig activity and consumer behavior.

By combining extensive first-party gig mobility data with a proprietary data processing pipeline, Gridwise Analytics ensures the delivery of high-quality, actionable insights to industry stakeholders.



LIMITATIONS & CONSIDERATIONS

- **Regulatory and Policy Changes:** External factors such as labor laws, platform policies, or regulatory shifts may impact gig work dynamics. These changes could influence the rate at which drivers from certain platforms engage with Gridwise, affecting market representation over time.

www.gridwise.io/analytics

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