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Account	[REDACTED]@uber.com	SEMANTIC
All Custodians	Faiz, Bushra;Chang, Frank;Maredia, Sarfraz;Muehrcke, Susan;Sheridan, Danielle;Shuping, Valerie	SEMANTIC
All Paths	Faiz, Bushra: \EDISCO-25937_[REDACTED]@uber.com [REDACTED]@uber.com\EDISCO-25937_[REDACTED]@uber.com [REDACTED]@uber.com_77.zip; Faiz, Bushra: \EDISCO-25937_[REDACTED]@uber.com [REDACTED]@uber.com\EDISCO-25937_[REDACTED]@uber.com [REDACTED]@uber.com_77.zip; Chang, Frank: \EDISCO-25937_[REDACTED]@uber.com\EDISCO-25937_[REDACTED]@uber.com_49.zip; Chang, Frank: \EDISCO-25937_[REDACTED]@uber.com\EDISCO-25937_[REDACTED]@uber.com_49.zip; Maredia, Sarfraz: \Maredia, Sarfraz\EDISCO-25493_[REDACTED]@uber.com_NEW_22.zip; Maredia, Sarfraz: \Maredia, Sarfraz\EDISCO-25493_[REDACTED]@uber.com_NEW_22.zip; Muehrcke, Susan: \EDISCO-25937_[REDACTED]@uber.com [REDACTED]@uber.com [REDACTED]@uber.com\EDISCO-25937_[REDACTED]@uber.com [REDACTED]@uber.com_23.zip; Muehrcke, Susan: \EDISCO-25937_[REDACTED]@uber.com [REDACTED]@uber.com [REDACTED]@uber.com\EDISCO-25937_[REDACTED]@uber.com [REDACTED]@uber.com_23.zip; Sheridan, Danielle: \JCCP-EDISCO-23800_2021_OctToDec_25.zip; Sheridan, Danielle: \JCCP-EDISCO-23800_2021_OctToDec_25.zip; Shuping, Valerie: \EDISCO-25493_[REDACTED]@uber.com\EDISCO-25493_[REDACTED]@uber.com_0.zip; Shuping, Valerie: \EDISCO-25493_[REDACTED]@uber.com\EDISCO-25493_[REDACTED]@uber.com_0.zip	SEMANTIC
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UBER

US&C Safety & Insurance

Business Brief

A/C Privilege & Confidential
Prepared At Direction of Counsel



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Agenda

Section	Details
Insurance & Safety Trends	• Provide overview into safety & insurance trends across US&C and high-level areas of focus
Key 2018 Initiatives & Decision-Making Framework	• Walk through safety-focused H1 initiatives, as well as decision-making criteria behind those initiatives
Results of 2018 Initiatives	• Review results from H1 initiatives from supply & safety perspective
Next Steps	• Chat through next steps & focus areas for H2

UBER

Insurance & Safety Overview

Uber US P2P Insurance Coverage

Ridesharing / P2P Only Summary



* Most common coverage, however actual coverage varies by state as required by regulation

** Collision and Comprehensive are collectively called "Physical Damage"

<https://www.uber.com/drive/insurance/>

Slide 4 Notes

Voice over UI / UIM change - UI/UIM changed in some states to \$250K

Collision provided by Uber only if the partner has collision insurance

For UberBLACK, have livery/commercial insurance, we only cover general liability in excess of what their insurance covers

US TNC Coverage Types

- TNC Coverage is broader than taxis/limos (usually liability only)
- Uninsured / Underinsured motorist coverage is the big driver of cost growth
- Lyft coverage is similar except Comp/Collision Deductible is \$2,500 vs. Uber's \$1,000
- Driver Injury Protection is currently Uber-only (no equivalent Lyft Product)

Uber pays

Non-Uber

	3rd Party		Passenger	Driver	
	Injury	Property Damage	Passenger Injury	Injury	Vehicle Damage
Uber Driver at fault	Liability Coverage Period 1: \$50k injury/person, \$100k total liability, \$25k property Period 2/3: \$1MM			Driver Injury Protection Medical, disability, and survivor benefits	Comprehensive and Collision Up to actual cash value of vehicle, \$1,000 deductible, only kicks in with driver's personal collision coverage, ignores fault
3rd Party at fault	Liability (other driver) State minimums apply Driver's personal insurance may help		Uninsured / Underinsured Motorist \$1M for bodily injury only		

*Period 1 = App on, Period 2 = Request accepted, Period 3 = On trip

Slide 5 Comments

- 1 some of these numbers are out of date - see website for most up-to-date information
Tyler Spitz, 2/28/2020 05:12 PM

US & Canada Insurance Cost Overview

Global insurance premiums continue to be almost entirely driven by US&C business, and insurance costs represent significant % of US net revenue.

US&C Insurance Costs Relative to Globe

~94%

of Uber's global insurance premiums are driven by the US&C business. 90% of that cost comes from US, and 4% of that cost comes from CAN

Some reasons for this are...

- US & CAN are far more litigious than other countries & the US has private medical care
- High mix of P2P model
- Broad insurance coverage (UIM/UM, vehicle damage)

US&C Insurance Cost: \$M and % Revenue

Note: Includes true-ups



**Preliminary estimate -
Actually closer to flat
from 2018 to 2019**

Slide 6 Notes

Net Revenue represents Gross Bookings less net upfront adjustments/partner payments/refunds plus other revenue
Voice over: 2019 would be flat but is coming down because of UI / UIM

Serious Accident and Incident Rate Trends

The vast majority of our insurance costs in US&C are driven by accident-related insurance spend.

	Period 1 Available	Periods 2-3 En Route - On Trip				
	Contingent Liability	Auto Liability	Uninsured / Underinsured Motorists	Physical Damage	General Liability	Excess Liability
Incident Type	Accident	Accident	Accident	Accident	Non-Accident (e.g. Assault, IPC)	Mixed (Accident + Non-Accident)
Time to Resolve (Up To)	Years	Years	Years	Weeks	Months	Months
Approx. % of Costs*	3%	45%	18%	7%	3%	24%

Accident-Related Costs

*Costs estimated using Ridesharing / P2P Portion of Exposure by Coverage - California - Q2 2017

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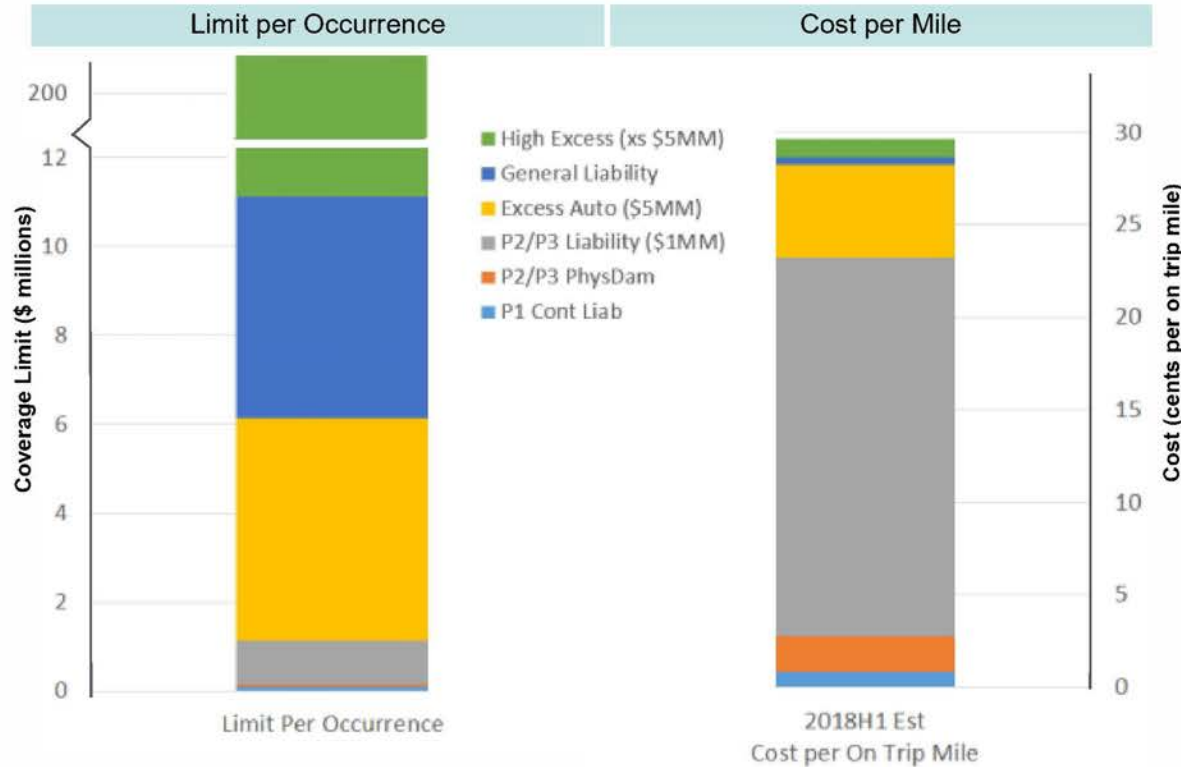
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Slide 7 Notes

This mix has shifted more towards General Liability because of arbitration

Distribution of Cost By Coverage

The majority of US insurance cost is driven by P2/P3 liability (\$1MM) and Excess Auto (\$5MM)



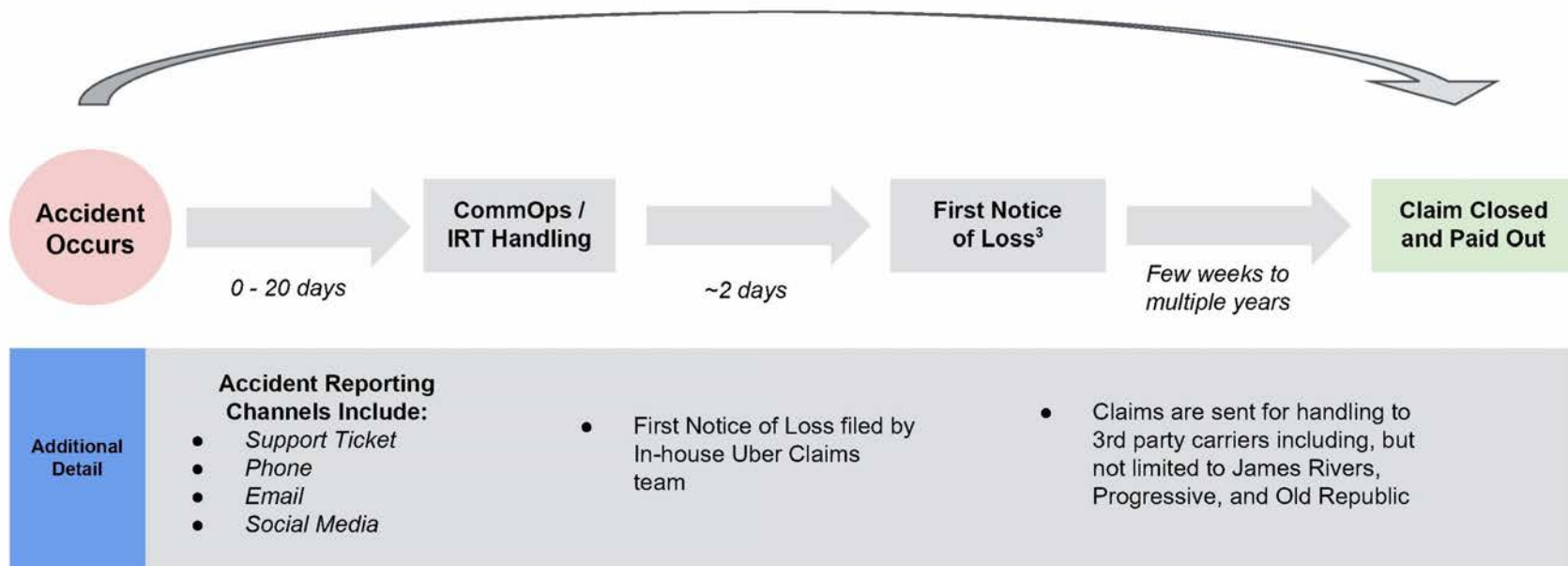
US P2P insurance costs are driven by:
\$1MM P2/P3 Auto policy
\$5MM Excess AL policy, which are both accident-focused. Given this, our primary focus in the US&C to-date has been around reducing our accident rate.

Higher limit coverages are not as costly as the most severe accidents are quite rare.

Lifecycle of a Claim¹

It can take years from the time of an accident to when a claim is actually paid out. Our highest-cost claims generally take the longest time to reach settlement.

~95% of injury claims settled within ~2 years²



1. Estimates should be considered high-level and came from Safety & Insurance Claims team

2. Refers to Bodily Injury claims handled by James River. Actual claim resolution time depends on claim severity & insurance provider (but typically takes ~1+ years)

3. Initial report made to insurance provider following an accident

Slide 9 Notes

Some key context for the data underlying the timing stats above:

- This is based on an analysis provided by the insurance claims analyst that showed the days from loss to settlement across different coverage types and insurance carriers (James Rivers, Old Republic, Progressive). Allstate and Farmers are excluded because they are new carriers
 - High-cost claims generally have longer tails. For example, the top 5% of claims from time of settlement represent 14% of costs
1. When the accident occurs (also known as the time of loss), it generally takes up to 20 days for a report to come through (this context was provided by the claims actuary)
 - a. Reports come through multiple channels including support ticket, phone, email and social media
 2. Commops & IRT investigate and collect information which is delivered to the claims team
 3. Our in-house claims advocates prepare the First Notice of Loss. This is then shared with our 3rd party carriers who will reach out for more info to fully adjust claims and take them to resolution.
 4. If claims are paid out, Uber will pay their portion of the exposure that's agreed upon with a given insurer

Insurance Cost Factors

There are lots of reasons why insurance costs are on the rise in the US. From an Operations perspective, we're mainly focused on influencing Uber's business mix.

ADVERSE CLAIM DEVELOPMENT

- Claims from 2014-2016 settling for more than expected and slower than expected
- More severe claims being opened 2-3 years after accident date, especially by third parties
- Underinsured motorist claims far higher and more severe than expected

CHALLENGING INDUSTRY TRENDS

- More expensive cars / repairs (+6.8% / year industry cost trend)
- Rising healthcare costs (+4.1% / year industry cost trend)
- Rising injury verdicts
- Overall increase in traffic fatalities per NHTSA (+4.5%/mile 2016)

CLAIMANT SOPHISTICATION

- Personal insurers better at redirecting claims
- Beginning to see specialized attorneys focused on rideshare claims
- Attorneys increasingly focused on reputation and employment issues at Uber as leverage

UBER BUSINESS MIX

- **Overall bias to dense urban areas, bar closing time, nights and weekends**
- **XCL / VS**
- **Ratings threshold decreases**
- **Pool**
- **Risk profile distribution of drivers**



This is the area where Ops can influence most...

US Insurance Tool

City Ops Question: *Non-levers into insurance costs: # passengers (eg. XL vs X), what about Product (Black vs Pool)?*

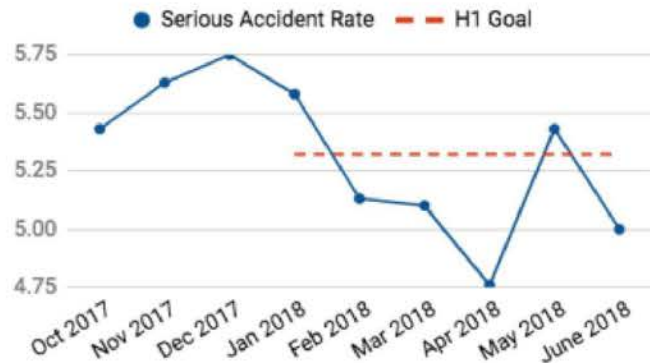
Slide 11 Notes

<https://docs.google.com/spreadsheets/d/16fqLkxhHYx-8tvO6GZDRsILtUyHDPCsJTXiGOknj9IM/edit?userstoinvite=francis.wilson@uber.com&ts=5d2ce9f0&actionButton=1#gid=1109874138>

Serious Accident and Incident Rate Trends

We've experienced a meaningful improvement in our accident and incident rates over the course of H1 2018. This was partially driven by seasonality, and partially driven by our H1 Ops initiatives aimed to improve safety.

Serious Accident Rate Per 1M Trips



Serious Accident rate is tracking **~8% below the Q4 average**, staying ahead of our **our goal of a 5% reduction** for this time period. Please note that increased accident rate in May was due in part to Cinco de Mayo and Memorial Day weekends

Serious Incident Rate Per 1M Trips



H1 Serious Interpersonal Conflict incident rate was over **8% below the Q4 average**, staying ahead of our **our goal of a 5% reduction** for this time period.

Note: We cannot pull Uber's historical data to confirm this (as we had taxonomy issues until September 2017), but we've confirmed via industry data that some of our H1 accident rate reduction is due to seasonality.

Slide 12 Notes

Taxonomy changes went into effect 7/23

Serious IPC Total Incident Rate for Q4: 12.9

Goal for H1: 12.2 (12.9×0.95)

Goal for H2: 11.6 ($12.9 \times .9$)

Serious Accident Rate for Q4: 5.6

Goal for H1: 5.3 (5.6×0.95)

Goal for H2: 5.0 ($5.6 \times .9$)

Biggest changes with new taxonomy:

- More granular Sexual Assault categories (e.g. "Attempted Kissing - Non-Sexual Body Part") created in partnership with an advocacy group
- Additional categories now considered Sexual Assault (see below)
- "Parent categories" no longer included in Serious IPC and Serious Accident Rate. These are tickets with contact types such as "Other>IRT: Urgent>Sexual Assault>>" and with no associated JIRA ticket.
 - Example tickets include: 1) rider wrote in on wrong trip - JIRA connected with correct trip; 2) rider report is vague (e.g. "sexually harassed my girlfriend"), and we followed up for more information and never got it ([query](#))

Reason for Serious IPC increase since July:

- The increase in Serious IPC from July onward is due to how we have begun treating the following incident types: "Soliciting Sexual Act," "Attempted Touching - Non-Sexual Body Part," and "Non-Consensual Touching - Non-Sexual Body Part"
- Before the taxonomy change, a Bliss ticket reporting an incident of soliciting sexual contact or (attempted) touching of a non-sexual body part would have been classified as a Sexual Misconduct, Inappropriate Comment, Verbal Altercation, or some other less severe category. A JIRA ticket would not have been created in most cases

Slide 12 Notes (Continued)

- For the transparency report, all historical JIRA tickets were re-reviewed and re-classified according to the new taxonomy. Because a JIRA had not been created for these tickets, they were not re-reviewed or re-categorized
- Now that these three incident types fall under Sexual Assault, Bliss tickets that come in reporting one of these incidents are classified as Sexual Assault, and a JIRA is created. We consider them Serious IPC incidents, where we didn't before

L3/L4 incident categories that aren't included in Serious IPC:

- L3/L4 Accidents
- Physical Altercations with No Injury
- Threat of Violence
- Drug/Alcohol Possession/Use by Driver
- Firearm Observed (Non-Threatening)
- Health and Self-Harm (e.g. someone has a heart attack on a trip)
- Non-rides related incidents
- Missing Person
- Suspected Human Trafficking

L3/L4 incident categories that are included for Serious Accidents:

- Hospitalization/Ambulance
- Life-Altering Injuries Alleged
- Fatality

Serious Incident Rate Deep Dive (Sexual Misconduct)

Sexual Misconduct represents the majority of our reported serious incident rate in the US&C. As such, from a personal safety perspective, this remains our largest priority.

Serious Interpersonal Conflict by Issue Type



Please note that the metrics above may not be representative of the true state of incidents. Specifically:

- Above data is pulled from queries of support & JIRA tickets. One report does not necessarily mean one incident
- Only a portion of tickets are confirmed; many are unconfirmed. The metrics include unconfirmed tickets.
- Issue types can change over time and contain nuance. For example "contact" may include accidental or attempted contact

Serious Incident Rate Deep Dive (Sexual Misconduct)

Sexual assault / serious sexual misconduct rate between female drivers and male riders is an important issue that we must solve for in the US&C. It's critical that we invest in the safety of our female drivers.

Sexual Assault / Serious Sexual Misconduct Incident Rate by Gender of Driver + Rider

US P2P incidents occurring May 2017 - May 2018

For female drivers, rate of sexual assault or serious sexual misconduct is **>4x when matched with male** instead of female.

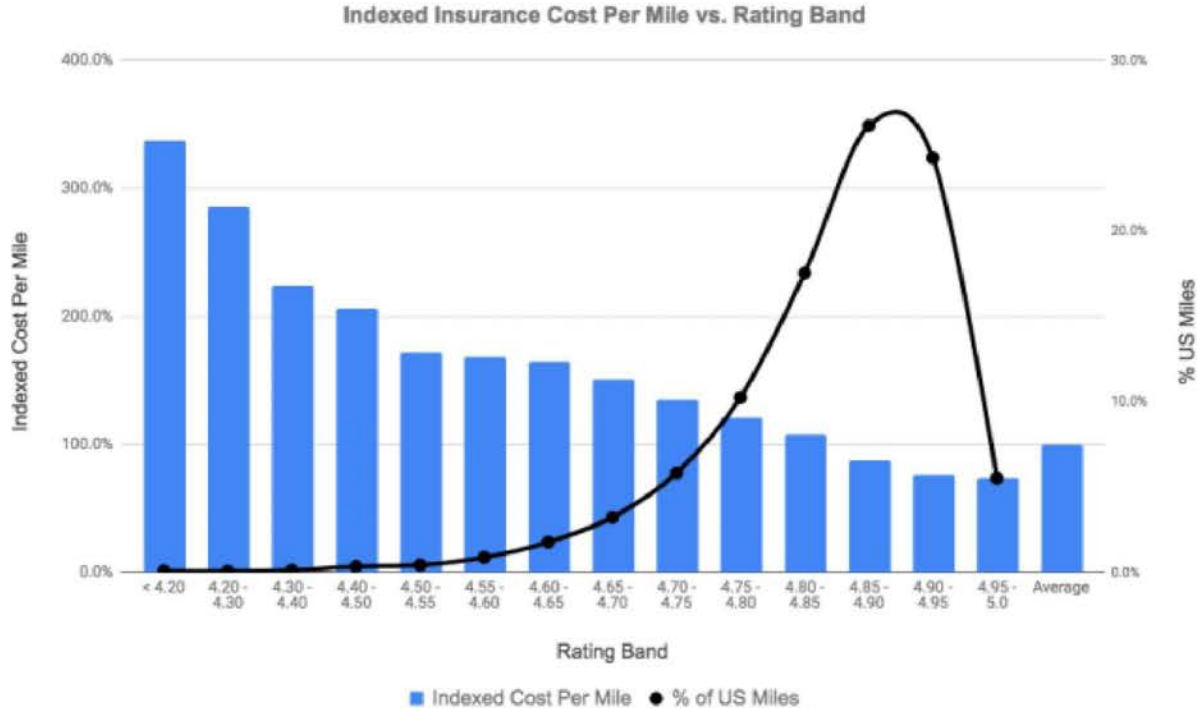
	<u>Female Drivers</u>		<u>Male Drivers</u>	
	+	+	+	+
	Female Rider	Male Rider	Female Rider	Male Rider
Rate of Sexual Assaults or Serious Sexual Misconduct (Per 1M Trips)	8.4	39.0	13.1	7.9

Notes: Only US P2P trips and incidents occurring May 2017 - May 2018 with inferred gender data (97% coverage in sample). Safety data source: JIRA.

Key 2018 Initiatives & Decision-Making Framework

Indexed Accident Rate By Risk Cohort (Ratings)

A small percentage of drivers (measured by % of miles) present outsized risk from an insurance cost per mile perspective.

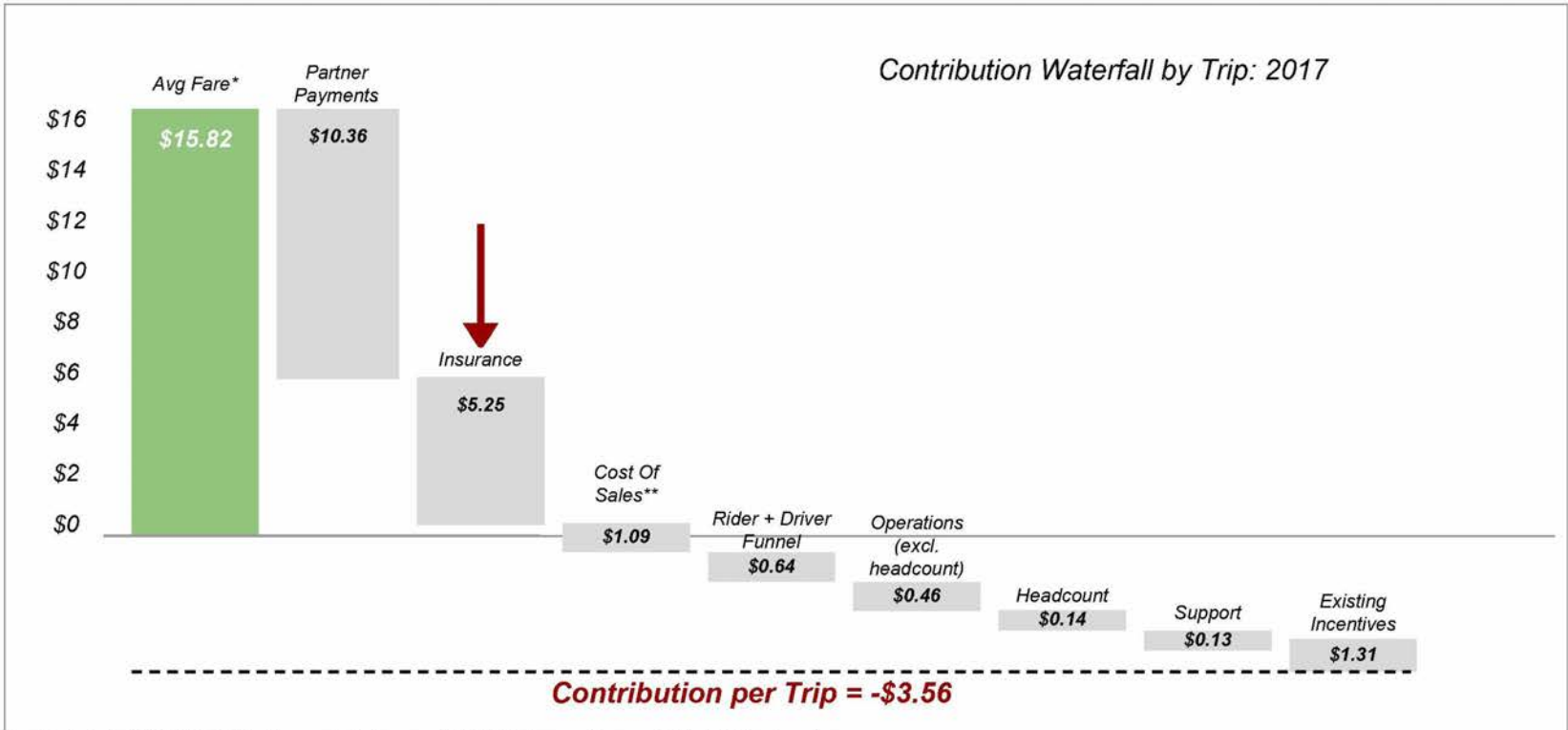


As a result, our lowest rated drivers are quite contribution negative to the business when taking into account insurance costs...

Fare Breakdown: uberX, <4.2 Driver (Worst Case)

[Source](#)

With <4.2 drivers, we pay ~96% of our available margin (after the driver is paid) on insurance costs. This drags down our overall contribution per trip significantly.



* Avg Fare includes UFP Adj. Up & Other Revenue; Typically remove UFP Adj. Up because it is accounted for in Existing Incentives

** COS includes Misc. Partner Payments, Tips, Taxes & Fees - disbursed, Payment Card Fees, Network (ex-Depr.), Mobile, Ride Insurance, Chargebacks and Fraud, Fees and Other

***Analysis assumes that all costs except for insurance vary based on rating band

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Slide 18 Notes

Average insurance costs approx \$1.55 per trip, vs. about \$5.25 in this case.

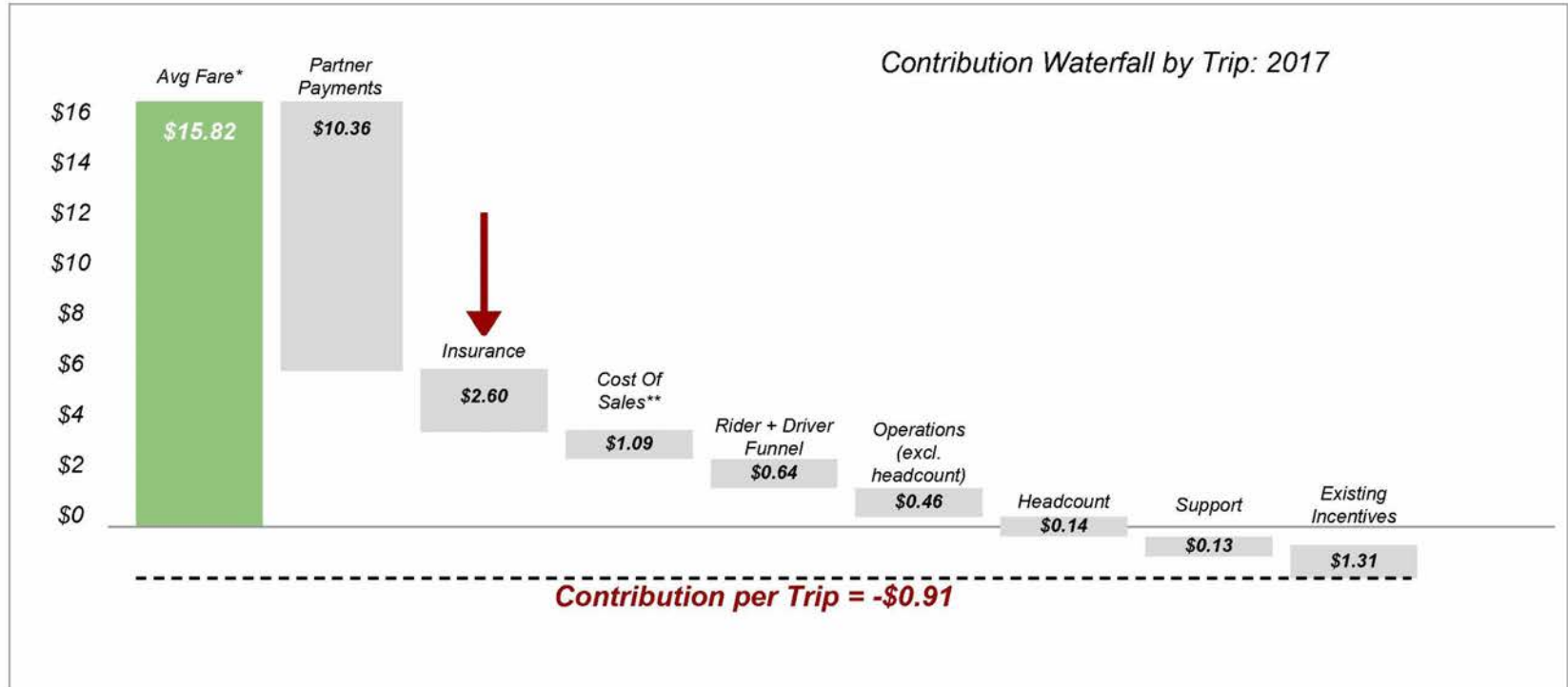
- Average fare is \$15.85
- Partner payments on average are \$10.36
- That leaves us with \$5.49 in net revenue after the partner is paid
- Of that \$5.49, \$5.25 (or about 96% of net revenue) is comprised of insurance costs
- this ultimately drives down our contribution per trip to -\$3.56 for our lowest rated drivers

Note: It's possible that these drivers are even MORE contribution negative than this chart is displaying, as we know that support costs become more expensive, the lower rated you are.

Fare Breakdown: uberX, 4.6 - 4.65 Driver (Base Case)

[Source](#)

With 4.6-4.65 drivers, we pay ~47% of our available margin (after the driver is paid) on insurance costs. Although not as significant as the <4.2 drivers, this still continues to drag down our contribution per trip.



* Avg Fare includes UFP Adj. Up & Other Revenue; Typically remove UFP Adj. Up because it is accounted for in Existing Incentives

** COS includes Misc. Partner Payments, Tips, Taxes & Fees - disbursed, Payment Card Fees, Network (ex-Depr.), Mobile, Ride Insurance, Chargebacks and Fraud, Fees and Other

***Analysis assumes that all costs except for insurance vary based on rating band

Slide 19 Notes

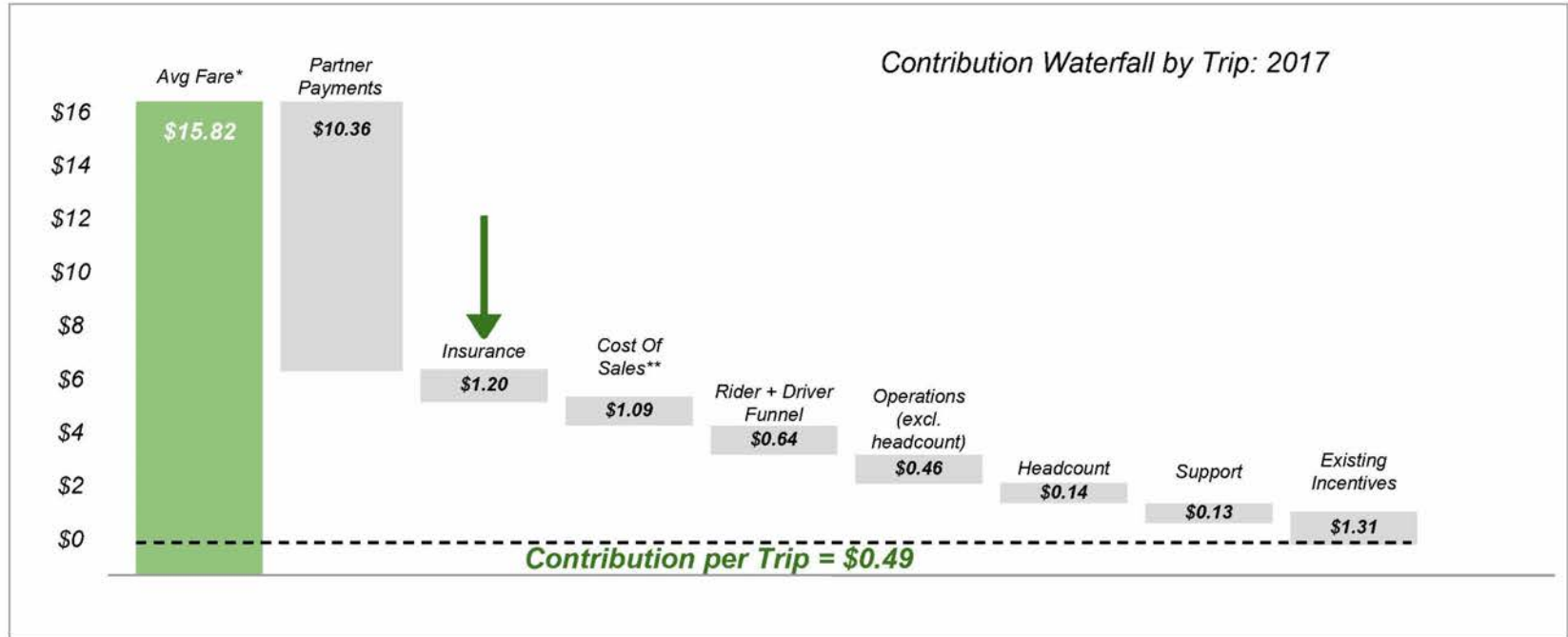
Average insurance costs approx \$1.55 per trip, vs. about \$5.25 in this case.

- Average fare is \$15.85
- Partner payments on average are \$10.36
- That leaves us with \$5.49 in net revenue after the partner is paid
- Of that \$5.49, \$2.60 (or about 47% of net revenue) is comprised of insurance costs
- this ultimately drives down our contribution per trip to -\$0.91 for our lowest rated drivers

Fare Breakdown: uberX, 4.9 - 4.95 Driver (Best Case)

[Source](#)

With 4.9-4.95 drivers, we pay ~22% of our available margin (after the driver is paid) on insurance costs.



* Avg Fare includes UFP Adj. Up & Other Revenue; Typically remove UFP Adj. Up because it is accounted for in Existing Incentives

** COS includes Misc. Partner Payments, Tips, Taxes & Fees - disbursed, Payment Card Fees, Network (ex-Depr.), Mobile, Ride Insurance, Chargebacks and Fraud, Fees and Other

***Analysis assumes that all costs except for insurance vary based on rating band

Slide 20 Notes

Average insurance costs approx \$1.55 per trip, vs. about \$5.25 in this case.

- Average fare is \$15.85
- Partner payments on average are \$10.36
- That leaves us with \$5.49 in net revenue after the partner is paid
- Of that \$5.49, \$1.20 (or about 22% of net revenue) is comprised of insurance costs
- this leaves us with \$0.49 in contribution

Key 2018 Initiatives

With the above data trends in mind, here were the three initiatives that we focused on in H1 that had the most significant implications for both safety & supply; this is where we'll focus today's discussion.

Context	
Rating Threshold Increases	Explore increasing national P2P thresholds across US&C
Tightening of Dangerous Driving Policy	Determine whether to deactivate drivers more often for high number of "dangerous driving" tickets from riders

Framework for Making Safety-Related Decisions

When making safety-related decisions, we compare annualized insurance savings to expected supply replacement costs across a variety of driver cohorts, based on their risk level. We make decisions that are then a net benefit to Uber.

Annualized Insurance Savings	-	Annualized Expected Supply Replacement Costs	=	Net Cost / Benefit to Uber
- Partnered with Safety & Insurance Actuarial Science team to measure theoretical insurance savings by city based on a variety of scenarios - Est. \$100M total in ins. savings		Determined approximate incentive costs for replacing miles that would be lost under various circumstances		Moved forward with choices that were only a net benefit to Uber
<i>Example #1 - Baltimore - Recommendation: ✓</i>				
\$669K	-	\$190K	=	+\$479K
<i>Example #2 - San Francisco - Recommendation: ✗</i>				
\$3M	-	\$14M	=	-\$11M

Slide 22 Notes

Serious IPC Total Incident Rate for Q4: 17.48

Goal for H1: 16.6 (17.48×0.95)

Serious IPC Total Incident Rate for H1: 16.11

Framework for Making Safety-Related Decisions

We followed the same framework for Safety Incentives. However, supply replacement costs were super difficult to predict given the nature of the experiment (as we didn't know what % of miles would churn when incentives were taken away), which is why we decided to experiment in one city to start.

Annualized Insurance Savings	-	Annualized Expected Supply Replacement Costs	=	Net Cost / Benefit to Uber							
Partnered with Safety & Insurance Actuarial Science team to measure theoretical insurance savings by city Gross Insurance Savings Potential (Annualized \$ millions) <table border="1"><thead><tr><th>Category</th><th>25% Churn</th><th>100% Churn</th></tr></thead><tbody><tr><td>Only Oversupplied Markets</td><td>2</td><td>12</td></tr><tr><td>All Markets</td><td>5</td><td>38</td></tr></tbody></table>	Category	25% Churn	100% Churn	Only Oversupplied Markets	2	12	All Markets	5	38	Determined approximate incentive costs for replacing miles that would be lost under various circumstances ↓ ?	- Moved forward with choices that were only a net benefit to Uber - For Safety Incentives in particular, the net cost / benefit to Uber was dependent on two factors: - Long-term churn rate - We used an assumption from short-term churn and large cities - Lost peak hour trips - If we churn drivers, how does this hurt reliability during sensitive hours, and how do those costs offset savings?
Category	25% Churn	100% Churn									
Only Oversupplied Markets	2	12									
All Markets	5	38									

We decided to test in Denver due to mix of projected oversupply through the end of the summer and high incentive spend.

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2018 Impact and Metrics Overview

Key 2018 Initiatives

Using the aforementioned framework, here were the decisions that we made as it relates to H1 2018 safety priorities.

	Context	Decision
Rating Threshold Increases	Explore increasing national P2P thresholds across US&C	Increased P2P rating threshold to a ~4.6 nationally (on average, but excluded many competitive cities, like SF, LA, etc)
Tightening of Dangerous Driving Policy	Determine whether to deactivate drivers more often for high number of "dangerous driving" tickets from riders	Tightened dangerous driving standard to allow 2.0 dangerous driving incidents per 1000 trips, which was significantly stricter than prior threshold (3 strikes). Exception made for >4.8 drivers

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2018 Impact and Metrics Overview

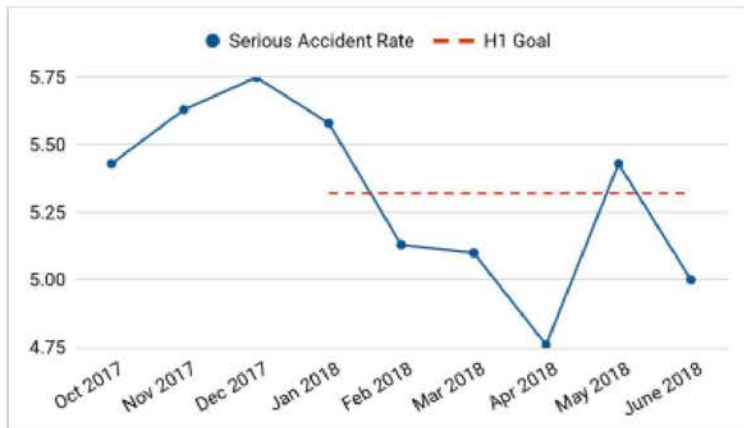
Impacts of Changes on Accident Rate & Insurance Costs

Implementing tighter rating and dangerous driving changes has had a material impact on accidents and insurance costs in the US&C.

Accident Impact

As outlined previously, we experienced a 8% dip in accident rate from Q4 2017 to H1 2018. A portion of this dip can be attributed to our initiatives.

Serious Accident Rate Per 1M Trips



¹ "Theoretical insurance cost savings" is a forward looking estimate of insurance cost reduction, given today's per-mile insurance rates. Actual insurance cost savings will only be realized after premiums are negotiated downward.

Insurance Impact

When launching these initiatives, we estimated that all else equal, our initiatives would save us about ~\$100M in theoretical insurance costs¹ (which would take a significant amount of time to truly hit the P&L).

While these costs will continue to take time to come to fruition, we seem to be well on our way to achieving this goal.

Quote from Gus ("Stand for Safety H1 2018 Recap Email"):

"Achieved ~\$150M in insurance savings vs. plan (1/3 of that due to improving safety)..."

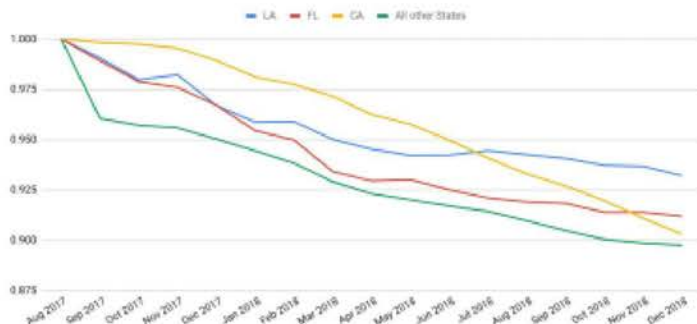
Impacts of Changes on Accident Rate & Insurance Costs

Implementing tighter rating and dangerous driving changes has had a material impact on accidents and insurance costs in the US&C.

Risk Index

As outlined previously, we experienced a 7.7% decline in our Risk Index pegged to August 2017. This is primarily driven by our initiatives.

Risk Index



Overview of the Risk Index

The risk index measures the change in the safety of miles driven on the platform over time.

Drivers are considered more risky if they have lower ratings or have a higher rate of Dangerous Driving reports.

The risk index tracks how the contribution of miles changes over time from partners who have these risky attributes (i.e. less miles from these partners means the index goes down).

While we have having data integrity issues with accidents, this will be our primary tracking metric for safety on the platform.

¹ "Theoretical insurance cost savings" is a forward looking estimate of insurance cost reduction, given today's per-mile insurance rates. Actual insurance cost savings will only be realized after premiums are negotiated downward.

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Next Steps

Slide 29 Notes

Driving Safety 2019 H2: https://docs.google.com/presentation/d/1ukcPcP2mD5nlrjU7J4ZJCGjXljYVPSScGYPF-7w_V0c/edit#slide=id.g5b0de7e7fa_0_0

Next Steps (2018)

Recommended Next Steps	
Rating Threshold Increases	Proposing another set of small, but ROI positive, rating changes in select cities. Note that the only cities in which we're recommending changes in are demand-constrained markets that aren't considered at-risk from a CP perspective (e.g. Miami, Dallas, Cleveland)
Tightening of Dangerous Driving Policy	N/A. We've tightened dangerous driving thresholds considerably across US&C. We haven't found any additional room here
Safety Incentives	Discontinue program given small (and potentially negative) net impact. Shift to the Driver Loyalty program as the primary mechanism to reward for quality. Will be monitoring results of a similar program, though, with Getaround, where they are pre-communicating rating requirements for incentives proactively (unlike our experiment)

Slide 30 Notes

Another general point that we'll be focusing on in H2:

The more we can squeeze risk on from the business where we don't need risk, the more we can take on risk where it's super important

2019: *both* Personal and Driving Safety



Reducing Accident Frequency & Severity

Launch initiatives to reduce accident frequency and severity on the platform. This includes mitigating accident risk during the launch of new ventures on the platform.



Reducing Rate of Sexual Assault Incidents

Launch initiatives to reduce sexual assaults on the platform. This includes mitigating sexual assault risk during the launch of new ventures on the platform.



Reduce Insurance Costs

Launch and support implementation of initiatives that reduce the cost of insurance on the platform.



Accident & Incident Response and Experience

Review and improve Uber's response to accidents and incidents, ensuring an optimal experience is provided to our customers.



Improving Safety Sentiment

Advocate for initiatives that improve Safety Sentiment among our riders & drivers and ensure that our customers are aware of Uber's safety features.



Safety Data Management & Preparing For Upcoming Transparency Report

Restore safety data integrity, track key metrics closely and develop meaningful insights about accidents and incidents on the platform. Working to prepare for upcoming release of Transparency Report.

Slide 31 Notes

See PS deck here: https://docs.google.com/presentation/d/1Lhrj9i3YwCRYZopKy8VYQny-EqtoaHeU_cPRwtGZCCQ/edit#slide=id.g5a87749b7c_0_305

2019 H2: Priorities

We are focusing our efforts on four priorities for the remainder of the year and to set us up for 2020.

Change Driver Behavior

Use experiments to understand how we can change driver behavior

01

Vehicle Solutions (VS) Safety

Improve VS driver safety through various initiatives

02

Insurance Cost Reduction

Reduce insurance costs as a per mile basis

03

Process Efficiency

Improve process efficiency related to driver deactivations

04

In support of OKR(s):

1. Reducing Accident Frequency & Severity

In support of OKR(s):

1. Reducing Accident Frequency & Severity

In support of OKR(s):

1. Reduce Insurance Costs
2. Reducing Accident Frequency & Severity

In support of OKR(s):

1. Accident & Incident Response and Experience
2. Reducing Accident Frequency & Severity

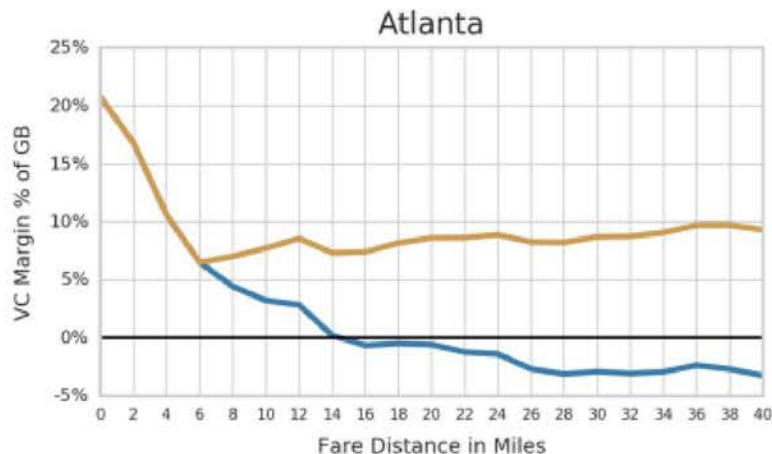
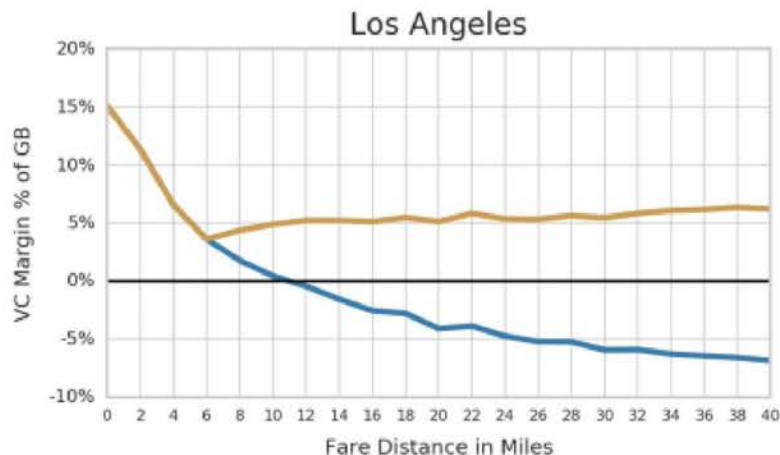
2019 H2: Projects

01 Change Driver Behavior	02 VS Safety	03 Insurance Cost Reduction	04 Standard Optimization
PROJECTS 1.Driver Education Pilot 2.Long-term Education Strategy 3.Safety Incentives 4.Dashcams 5.Deactivation Notifications Key Business Insight: Our vendor has estimated 10-15% accident reduction as a result of dashcams	PROJECTS 1.Telematics Data and/or Safety Score 2.Ratings 3.DD Score 4.Phone Mounts Key Business Insight: At 10% of the business without significant change, VS could increase insurance costs by 100M annually	PROJECTS 1.Deductibles Analysis 2.Driver Injury Protection (DIP) 3.Commercial Rideshare Insurance Options (TBD pending S&I feedback) Key Business Insight: DIP represents a long-term annual opportunity of \$270M at a critical mass (link)	PROJECTS 1.Rating Thresholds 2.DD Thresholds 3.DD Residual Rate 4.Hardening of DD Standard 5.Other Deactivation Criteria Key Business Insight: The current residual rate for dangerous driving is ~46% which proves operational inefficiencies

Uber could address this issue with a one-sided (rider only) per-mile price increase. This could be implemented via RSP, firehouse, booking fee changes or T&D rate changes.

As a simplified starting point, I calculated a per-mile fee to apply to each mile after the 6th mile. The fee was set to achieve an approximate 11% margin on fares minus insurance on incremental miles.

Blue: VC Margin in April 2019 | **Orange:** Projected VC Margin After Change



- Note that this is not proposed as the optimal solution; the company could decide that a different margin profile is optimal for the company. Additionally, there are a variety of pricing levers we could use to achieve our desired margin profile.

Slide 34 Notes

Other considerations like product, city, booking fee, supply position, pricing

DACT is a Standard Adjudication Platform

What does DACT do?

- DACT is a standard adjudication platform within JIRA which handles adjudications for high-volume, low severity safety reports
- DACT runs a query every hour and creates a ticket whenever a user breaches one of our standards
- DACT-trained agents review each ticket for validity against our standards and either deactivate the user, leave the user active, or escalate the ticket

What is a standard?

- Business Standards set the required outcome for any inbound that comes through via support or as a result of an outage
 - Example: At what point should our driver be deactivated for driving dangerously?

The screenshot shows a JIRA ticket interface. At the top, the title is '10 Jul 2018 - Tampa Bay - United States - Cash Exchange - Lookback'. Below the title are buttons for 'Edit', 'Comment', 'Assign', 'More', 'Re-open', and 'Request Review'. The 'Details' section lists various fields: Type (Task), Priority (TBD), Component (None), Labels (None), City (Tampa Bay), Country (United States), Deactivation Type (Cash Exchange), Policy (Cash Exchange - Lookback), Policy Threshold (3), Offender (Driver), User UUID (7d45e106-48a3-48ef-83fc-2897cb5281ba), User Trips (5550), User Ratings (4.93), User Tools Page Link, Deactivation Outbound Link, and Reference. The 'Status' is 'DONE' and 'Resolution' is 'Rejected'. The 'Description' section contains three links for Ticket1, Ticket2, and Ticket3.

Deactivation Review / DACT-76282
10 Jul 2018 - Tampa Bay - United States - Cash Exchange - Lookback

Edit Comment Assign More Re-open Request Review

Details

Type: Task Status: **DONE** (View Workflow)
Priority: TBD Resolution: Rejected
Component: None
Labels: None
City: Tampa Bay
Country: United States
Deactivation Type: Cash Exchange
Policy: Cash Exchange - Lookback
Policy Threshold: 3
Offender: Driver
User UUID: 7d45e106-48a3-48ef-83fc-2897cb5281ba
User Trips: 5550
User Ratings: 4.93
User Tools Page Link: <https://tools.uberinternal.com/tools/partners/7d45e106-48a3-48ef-83fc-2897cb5281ba>
Deactivation Outbound Link: <https://bias.uberinternal.com/contacts/75faae5-88bc-4955-9c0b-7bbe0612c3a8>
Reference: 68251c59f0b9e18269677cf4e29f94d0c123bd3809549b8d56d896807464da

Description

Ticket1 - <https://bias.uberinternal.com/contacts/623b8524-da25-4be0-8c0b-353e8b5f118a>
Ticket2 - <https://bias.uberinternal.com/contacts/50d44035-67d4-48d7-9213-3c39a71d9fa9>
Ticket3 - <https://bias.uberinternal.com/contacts/5ee4767b-a80b-4018-b0d8-95a37cf96778>

What it looked like in practice

Instead of scrolling through notes, reports are automatically pulled together for adjudication

Old: Agents had to scroll through notes

Notes			
+ Add Note			
Created By	Note	Created At	Delete
David Chanin	Insulated UberEats Bag shipped November 17th to 3303 W LYNNE LN Nona PHOENIX AZ 85041	11/14/16 07:39:02 PM PST	Delete
Drew Penetton	Earnings Boost 11/10-11/12 -> This partner qualified for an incentive payment this week. Go to https://lookshed.uberinternal.com/driver-incentives/phoenix/344deba1-7422-4d5f-a5d5-d778bb128119/payment-summary?driverUuid=bd5e550f-c02b-42e1-8485-b1eebc9104f9 for more details	11/14/16 12:01:55 AM PST	Delete
JOHN CLARKE	SIGMA Acceptance Screen - Partner Notified - Accepting less than 65% of Trips over the last 7 days	11/11/16 05:03:35 AM PST	Delete
Clay Carroll	UberEATS (delivery) Partner is eligible to opt into receiving UberEATS/UberRUSH (delivery) requests in addition to rides requests if they would like. To opt in, partner should click the link in the delivery Opt in alloy card or opt in at http://it.uber.com/plusdelivery	11/8/16 01:02:57 PM PST	Delete
JOHN CLARKE	SIGMA Acceptance Screen - Partner Notified - Accepting less than 65% of Trips over the last 7 days	11/4/16 04:58:49 AM PDT	Delete
JOHN CLARKE	This driver is receiving in-app messages about phone movement beginning 9/7	11/1/16 06:31:23 AM PDT	Delete
Drew Penetton	10/28-10/30 Hourly Guarantees -> This partner did not qualify for an incentive payment this week. Go to https://lookshed.uberinternal.com/driver-incentives/phoenix/344deba1-7422-4d5f-a5d5-d778bb128119/payment-summary?driverUuid=bd5e550f-c02b-42e1-8485-b1eebc9104f9	10/31/16 12:01:29 PM PST	Delete

Showcase 1 to 25

New: DACT pulls together relevant reports

 Deactivation Review / DACT-2594

22-May-2017 - Los Angeles - United States - Dangerous Driving

Edit

Comment

Assign

More

Re-open

Details

Type: Task

Priority: TBD

Component/s: None

Labels: None

City: Los Angeles

Country: United States

Deactivation Type: Dangerous Driving

Policy: Look-back

Policy Threshold: 3 in 375

Offender: Driver

User UUID: 3987e896-61d5-4163-9a62-4d5dda74e1d

User Trips: 180

User Rating: 4.02

User Tools Page Link: <https://lookshed.uberinternal.com/tools/partners/3987e896-61d5-4163-9a62-4d5dda74e1d>

Deactivation Outbound Link: <https://lfaas.uberinternal.com/contacts/3c1a556-2005-4d6c-89e5-dea71feab79e>

Status: DONE [View Workflow]

Resolution: Rejected

Description

Ticket 1 - <https://lfaas.uberinternal.com/contacts/9564361-13cd-4312-bb05-37cad5ec771b>

Ticket 2 - <https://lfaas.uberinternal.com/contacts/c7195818-180a-4236-9041-7701300318f>

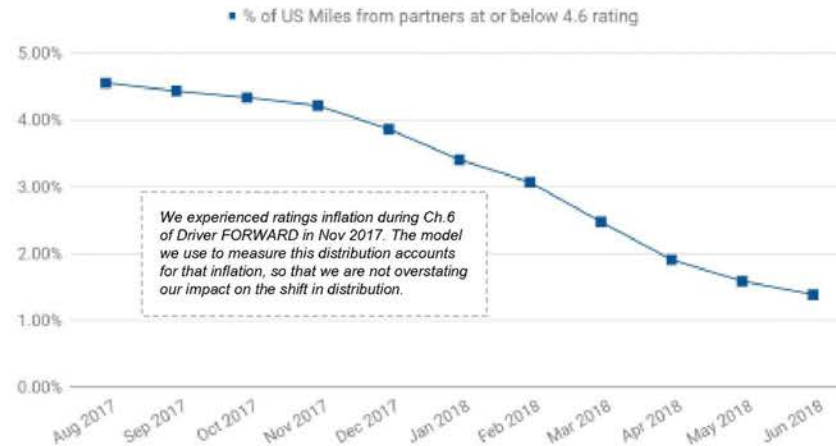
Ticket 3 - <https://lfaas.uberinternal.com/contacts/8857104-5ca5-4234-b8ea-c84e1ed18725>

Attachments

Ratings Distribution and Dangerous Driving Deactivation Impacts

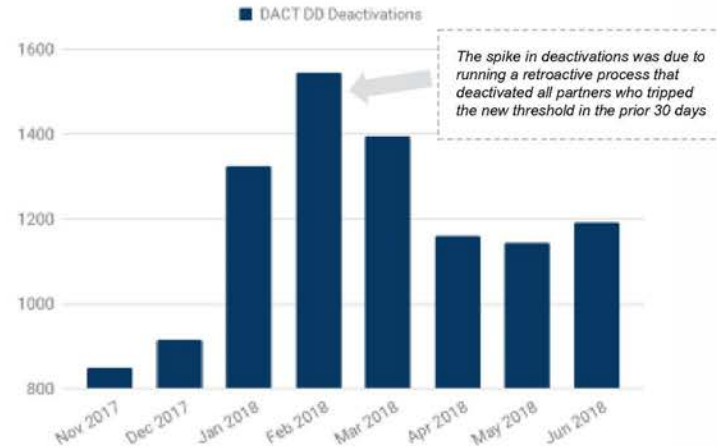
We successfully took action against our highest priority H1 accident reduction initiatives, as evidenced by the reduction in miles being driven by partners at or below a 4.6 rating, as well as the elevated rate of Dangerous Driving deactivations actioned in our DACT process

% of US Miles Driven by Partners at or below 4.6 Rating



The % of US miles driven by partners at or below a 4.6 rating dropped from 4.6% in Aug 2017 to 1.4% in June 2018. This was the result of raising the min rating threshold, as well as reducing the number of trips a driver needs prior to deactivation

DACT Dangerous Driving (DD) Deactivations



DACT DD deactivations have stabilized as of April 2018, now removing an incremental ~30% of high-risk partners who have been flagged for Dangerous Driving and are at significant elevated risk for getting into an accident

UBER

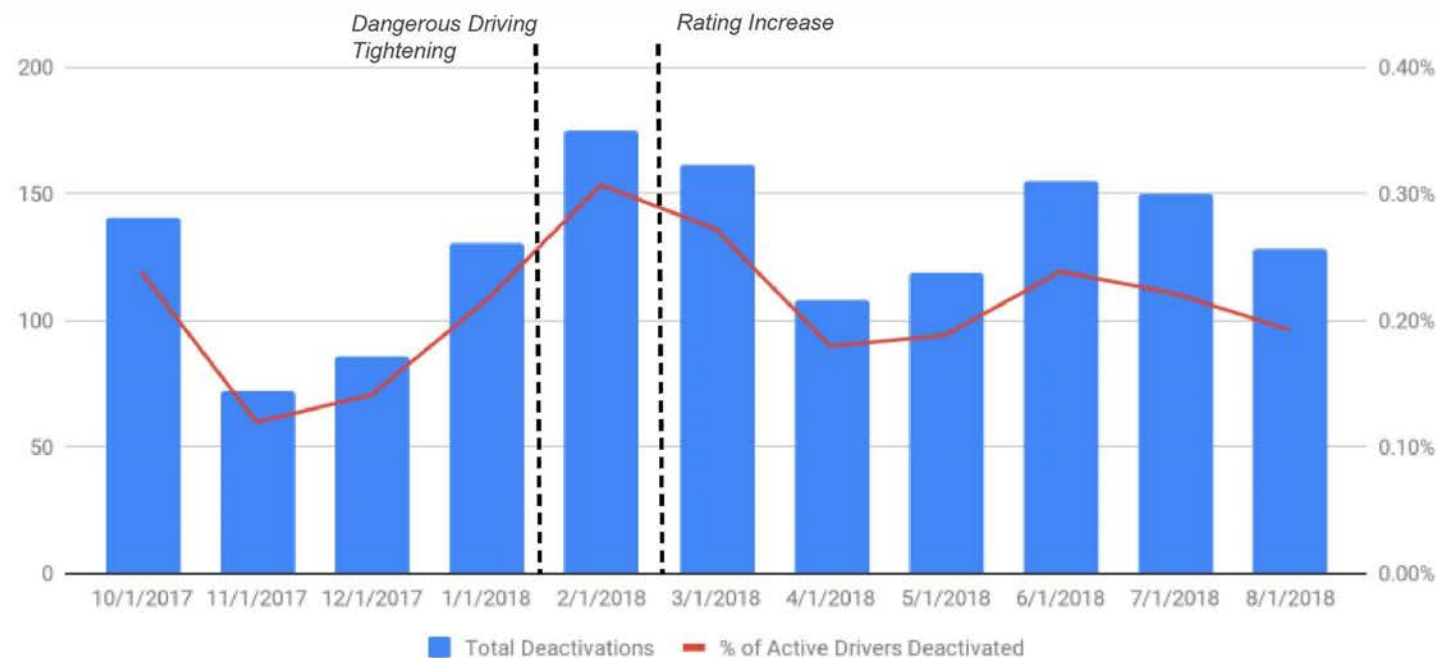
Appendix

Chicago Case Study

Supply Impact Case Study: Chicago

Here's a view into the # of deactivations (both in absolute terms as well as a % of active drivers) and how those numbers have changed over time...

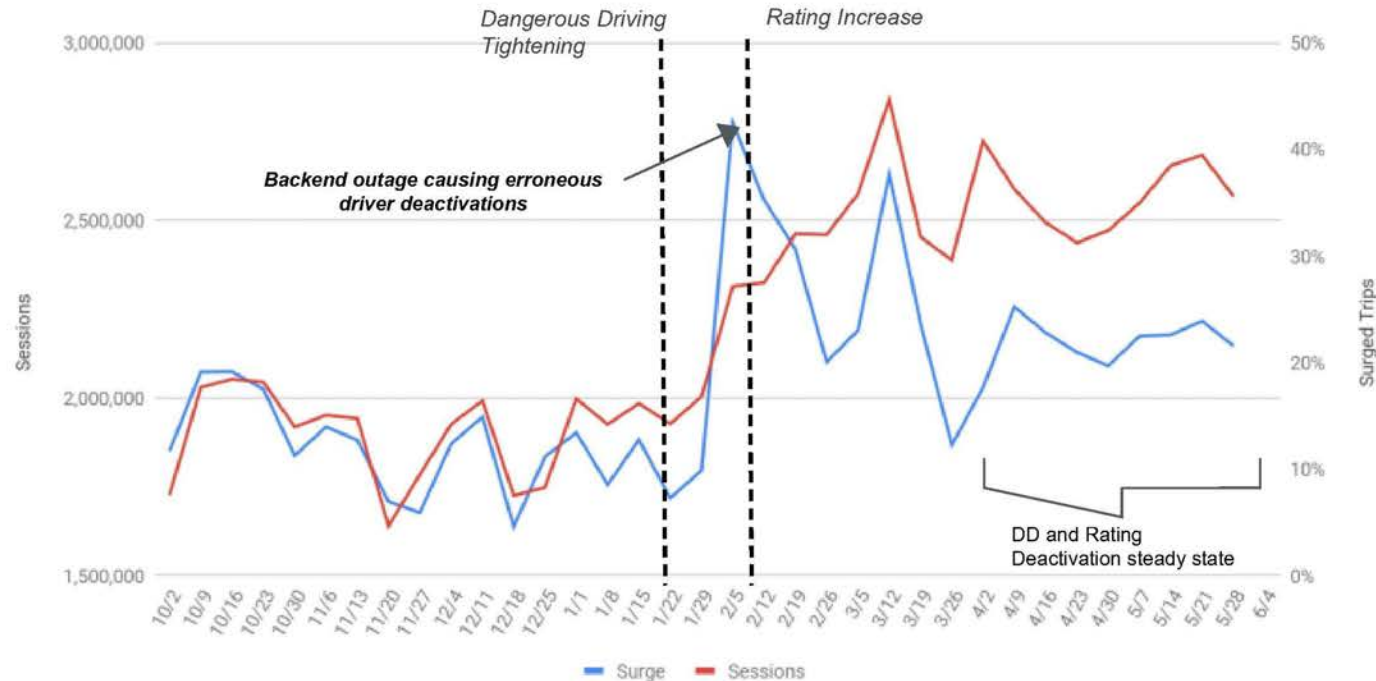
Chicago Absolute Deactivations & % of Active Drivers Deactivated



Supply Impact Case Study: Chicago

Though incurring one of the largest supply impacts in the US, Chicago did not exhibit anomalous surge levels that also stayed commensurate with demand increases after threshold changes were made

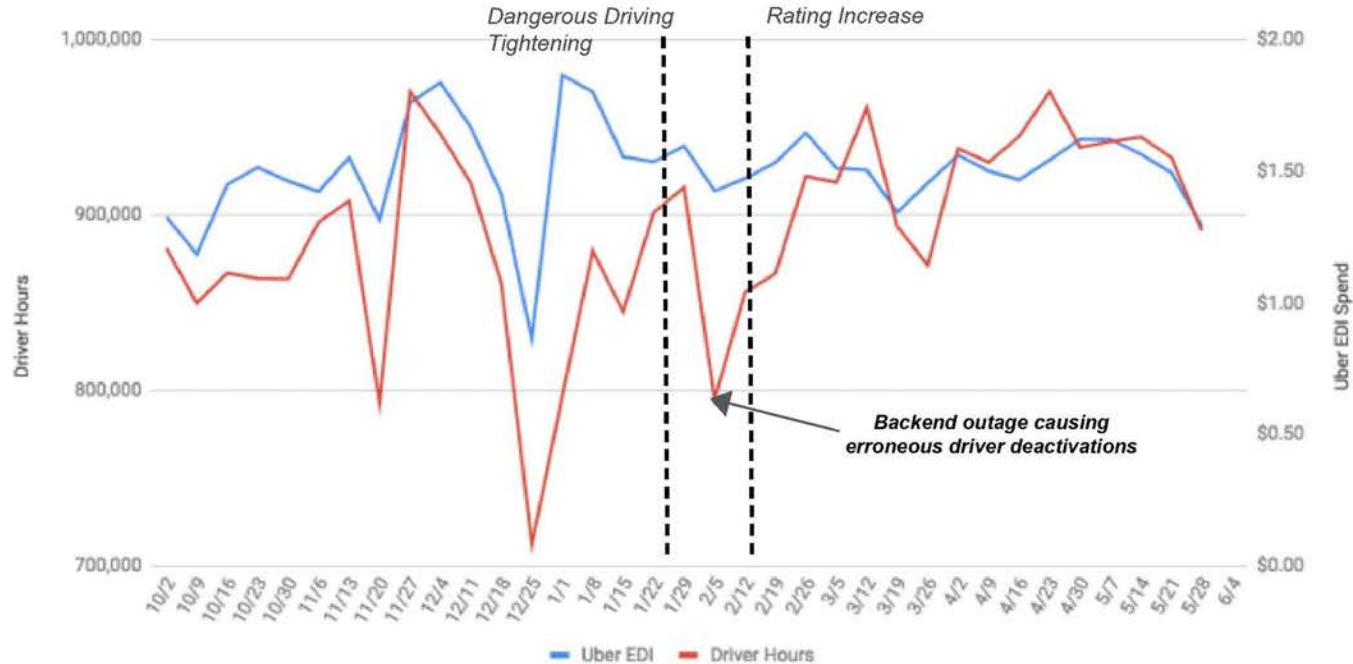
Uber Sessions & Surge Trips Pre and Post Threshold Changes



Supply Impact Case Study: Chicago

In addition, though we did see a drop in driver hours in March, it was aligned with EDI spend trends and recovered in the subsequent months

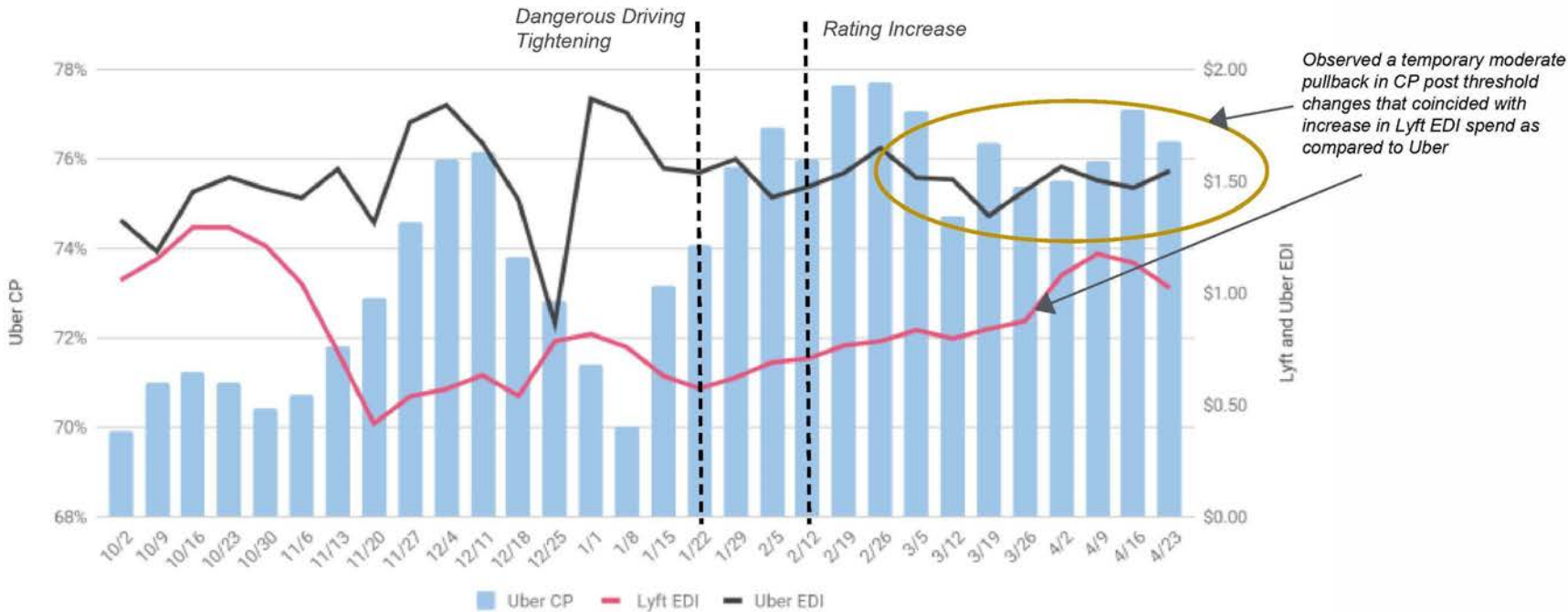
Uber Sessions & Surge Trips Pre and Post Threshold Changes



Supply Impact Case Study: Chicago

Though we saw a dip in CP, it can be partially attributed to Lyft closing the EDI spend gap and is trending back upwards based on our most recent data

Uber Category Position vs. Uber & Lyft EDI Spend



UBER

Results: Denver Safety Incentive Experiment

Denver Experiment Results: Churn

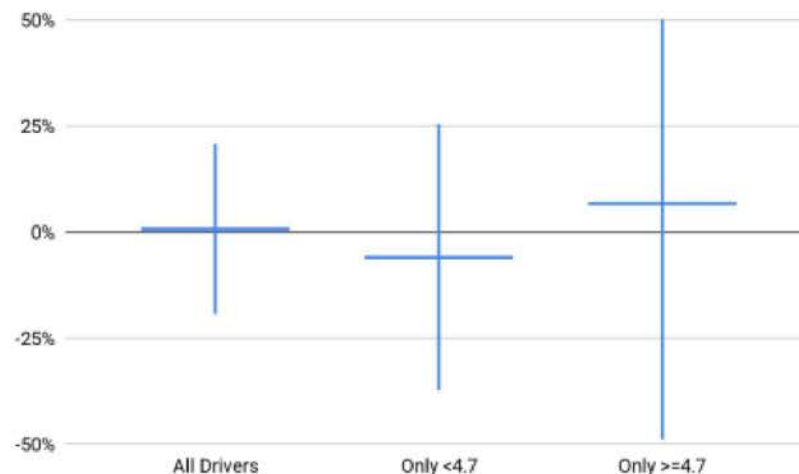
Results indicate no discernible impact on miles driven by removing incentives due to low rating.

Treatment group drivers actually increased miles driven by 1% in aggregate.

- Drivers whose ratings remained below 4.7 (the treatment group cutoff) decreased miles by 6%
- Drivers whose ratings increased above 4.7 offset the decreases.

The error bars are large due to a low sample size. We could only test on 1% of Denver drivers even after increasing the ineligibility threshold to 4.7 (above the rating deactivation threshold).

Aggregated Results (On Trip Mile Delta)



Slide 45 Notes

Treatment: half of drivers below 4.7 and excluded them from incentives

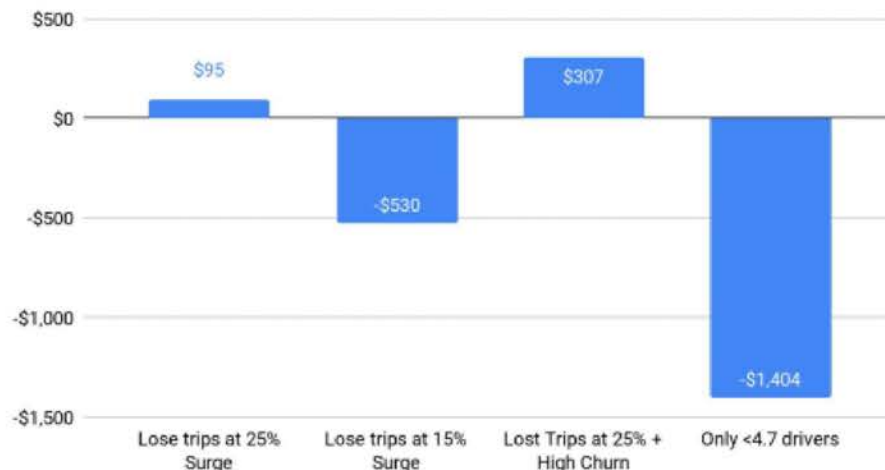
Control: the other half of drivers below 4.7

Non-experiment: drivers above 4.7 weren't in either treatment or control

Denver Experiment Results: Net Benefits

Insurance savings net of the cost of lost supply hours is at best low and at worst negative.

Net Benefits (\$ Thousands)



Lost trips at 25% Surge - Insurance savings less the cost of lost supply hours. Low rated drivers took fewer peak hour trips (defined at the 15% surge threshold).

Lost trips at 15% Surge - Same as above using a more stringent surge threshold

Lost trips at 25% + High Churn - Less stringent threshold + using the most optimistic churn assumption (19% from the previous slide)

Only <4.7 drivers - Assuming drivers ≥ 4.7 do not offset churned miles

- The estimated net impact is small due to a low number of drivers impacted (2%), churn was less than expected, and we include supply hour costs in these calculations.
 - Under optimistic assumptions we think that net savings would be at most \$300K per year when fully scaled to the US&C.
 - The net impact could be as negative as -\$1.4M per year when factoring in the cost of lost supply hours.