

Uber offers to pay for drivers' health insurance, and then yanks it away

Uber mistakenly sent out an email to some of its drivers and delivery workers last month offering to cover some of their health insurance costs – only to revoke the offer two weeks later.

On May 26th, an email from Uber with the enticing subject line “It’s a great time to get health coverage” appeared in the inbox of an unspecified number of the company’s drivers and delivery workers. When they opened the email, they were greeted by an even more alluring proposition: “Uber can help cover your healthcare costs.”

Drivers and couriers for Uber are classified as independent contractors, making them ineligible for employer-sponsored health insurance plans. For years, many of these workers have lobbied for more benefits and protections, only to face strong opposition from Uber.

“Uber can help cover your healthcare costs”

So one can only imagine the shock from drivers who opened this email and saw an offer for subsidies ranging from \$613.77 to \$1,277.54, depending on the type of insurance plan they had and the amount of hours they worked each week. That kind of money could be transformative for drivers, many of whom subsist on poverty-level wages and are struggling to find work amid a steep drop in demand during the pandemic. What could account for this radical change in position by Uber?

The May 26th email promising health insurance subsidies.

The June 9th email revoking those subsidies.

As it turns out, nothing has changed. Uber intended only to send the email to drivers and delivery workers in California, and not any other state. “Unfortunately, we made a mistake sending this email to you, as this policy only applies to drivers and delivery people in California,” the email to one driver read. “We sincerely apologize for this error.”

A spokesperson said that the company’s support team is working with drivers and delivery workers who received the email by mistake.

Last year, Uber – along with Lyft, DoorDash, and other gig economy companies – poured over \$200 million into the “Yes on 22” campaign to exempt them from a California state law that would require them to treat their workers like employees. The companies aggressively opposed the law, arguing it would eliminate driver flexibility, while also increasing consumer prices and wait times. The measure passed in November 2020 with 59 percent of the vote.

Under Prop 22, Uber and other gig work companies are required to “provide healthcare subsidies equal to 41 percent the average [California Coverage] premium for each month” for drivers and couriers “who average between 15 and 25 hours per week of engaged time.” This would explain the email, but doesn’t explain why it also ended up in the inboxes of drivers and couriers who don’t reside in California.

Edward Burmila, a political science professor who lives in Raleigh, NC and occasionally drives for Uber, received the original email about healthcare subsidies. “I may be an atypical Uber driver – I have a PhD and so tend to think of these things in a political context – but it is part of the ludicrous song-and-dance the ride-share companies are always

doing to maintain the fiction that their labor force are not employees or workers,” Burmila wrote to *The Verge* in an email.

He added, “It also demonstrates that they’ll provide benefits – for riders or for passengers – only when they are forced to.”

<https://www.theverge.com/2021/6/10/22528148/uber-drivers-health-insurance-mistake-error>