Matter of United Fin. Cas. Co. v Geladze

2026 NY Slip Op 31592(U)

April 8, 2026

Supreme Court, Kings County

Docket Number: Index No. 530201/2025

Judge: Peter P. Sweeney

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF KINGS, PART 73
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In the Matter of the Application for an Order Staying Arbitration between

UNITED FINANCIAL CASUALTY COMPANY,

Petitioner,

-against-

DAVID GELADZE,

Respondent,

-and-

ACCIDENT FUND INSURANCE COMPANY OF AMERICA, GEICO INDEMNITY COMPANY, and RAKIEM L. PERRY,

Proposed Additional Respondents.

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Index No.: 530201/2025
Motion Date: 4-6-26
Mot. Seq. No.: 1

DECISION/ORDER

The following papers, which are e-filed with NYSCEF as items 1-32, were read on this petition:

Petitioner United Financial Casualty Company ("UFCC") moves for an Order pursuant to CPLR § 7503(b) permanently staying the underinsured motorist arbitration sought by Respondent David Geladze under a New York Transportation Network Company ("TNC") Policy issued by UFCC to Lyft, Inc., which provided Supplementary Uninsured/Underinsured Motorist ("SUM") benefits in the amount of $1,250,000.

BACKGROUND:

On March 8, 2024, Respondent DAVID ELADZE, was involved in a motor vehicle accident on eastbound I-495 in Queens while operating a vehicle. At the time of the accident, there was a passenger in the vehicle which Respondent secured through the Lyft, Inc. App. It is

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undisputed that the subject trip commenced and the accident occurred within the territorial borders of New York City.

The Petitioner contends that the TNC policy does not afford coverage because the trip originated in New York City, thereby classifying the vehicle as a "for-hire vehicle" under the regulatory purview of the Taxi and Limousine Commission rather than a "TNC vehicle" as defined by the policy and the Vehicle and Traffic Law. The UFCC TNC Policy explicitly excludes a "for-hire vehicle, as defined in section 19-502 of the administrative code of the city of New York" from the definition of a "TNC vehicle." Furthermore, VTL § 1692(9) and § 1700(2) prohibit TNC drivers from accepting prearranged trips within a city with a population of one million or more.

Respondent opposes the petition, arguing that the exclusion of New York City pickups from the statewide TNC insurance framework violates the Equal Protection clauses of the State and Federal Constitutions. C*iting Kendall v. Evans,* 126 A.D.2d 703, 704 (2d Dept. 1987*) and Weissman v. Bellacosa*, 129 A.D.2d 189, 193 (2d Dept. 1987), the Respondent contends that geographical distinctions must be predicated upon a rational basis to survive a constitutional challenge and claims that denying identical TNC users materially different legal protection based solely on municipal geography is arbitrary.

DISCUSSION:

In *Progressive Ins. Co. v. Service*, 241 A.D.3d 690, 691–92, 238 N.Y.S.3d 657, 658 (2nd Dep't 2025), the respondent, Shante D. Service, was allegedly injured while riding as a passenger in a vehicle owned and operated by Artur Nazaryan. Nazaryan was a Lyft operator. As in this case, the accident occurred in New York City. In holding that the respondent was not entitled to Supplementary Uninsured/Underinsured Motorist ("SUM") benefits of $1,250,000 under the TNC policy issued by Progressive to Lyft, the Court stated:

> "An insurance policy is a written contract between an insurer and an insured and is based, in essence, on contract law" (*American W. Home Ins. Co. v. Gjonaj Realty & Mgt. Co.*, 192 A.D.3d 28, 38, 138 N.Y.S.3d 626). "In determining an insurance coverage dispute, a court must first look to the language of the policy" (*Holtzman v. Connecticut Gen. Life Ins. Co.*, 213 A.D.3d 918, 919, 183 N.Y.S.3d 160; see *Consolidated Edison Co. of N.Y. v. Allstate Ins.*

> *Co.*, 98 N.Y.2d 208, 221, 746 N.Y.S.2d 622, 774 N.E.2d 687). "As with any contract, unambiguous provisions of an insurance contract must be given their plain and ordinary meaning, and the interpretation of such provisions is a question of law for the court" (*White v. Continental Cas. Co.*, 9 N.Y.3d 264, 267, 848 N.Y.S.2d 603, 878 N.E.2d 1019 [citation omitted]).
>
> Here, Service was not an "insured" under the subject policy. In order to qualify as an "insured" under the SUM endorsement, the accident had to have occurred while Nazaryan was operating a "TNC vehicle," which is defined as a vehicle "used by a transportation network company driver" who "is providing transportation network company prearranged service" originating within the state of New York. Further, the policy provided that a "prearranged trip" "does not include transportation provided through ... use of a taxicab, livery, luxury limousine, or other for-hire vehicle, as defined in ... [Administrative Code § 19–502 of the City of New York]" (emphasis added). Pursuant to Administrative Code § 19–502(g), a "for-hire vehicle" includes "a motor vehicle carrying passengers for hire in the city" (emphasis added). Since Nazaryan's vehicle was being used to carry a passenger for hire within New York City at the time of the accident, it was being operated as a "for-hire vehicle," rather than as a "TNC vehicle" (see *Matter of Progressive Ins. Co. v. Callahan*, 232 A.D.3d 903, 905, 223 N.Y.S.3d 664; *Matter of Progressive Ins. Co. v. Baby*, 232 A.D.3d 902, 903, 221 N.Y.S.3d 667). Thus, Service did not qualify as an "insured" under the terms of the policy.

(*Progressive Ins. Co.*, 241 A.D.3d 691–92, 238 N.Y.S.3d 658); see also *Progressive v. Callahan*, 232 A.D.3d 903 (2d Dept. 2024) and *Progressive v. Baby*, 232 A.D.3d 902 (2d Dept. 2024).

Here, as in *Progressive v. Service*, the vehicle that the respondent-claimant occupied at the time of injury was being operated as a "for-hire vehicle," rather than as a "TNC vehicle." Thus, *Progressive v. Service* and the other cases cited above require that the petition be granted in its entirety.

The Court will not consider respondent's constitutional challenge. As the Court stated in *Highland Hall Apartments, LLC v. New York State Div. of Hous. & Cmty. Renewal*, 66 A.D.3d 678, 681, 888 N.Y.S.2d 67, 70–71 (2nd Dep't 2009): "[W]hen the substance of the law, "its wisdom and merit" (*Voelckers v. Guelli*, 58 N.Y.2d 170, 177, 460 N.Y.S.2d 8, 446 N.E.2d 764), or its constitutionality, is challenged, then the proper procedure is to commence an action for a

declaratory judgment (see *New York City Health & Hosps. Corp. v. McBarnette*, 84 N.Y.2d 194, 616 N.Y.S.2d 1, 639 N.E.2d 740; *P & N Tiffany Props., Inc. v. Village of Tuckahoe*, 33 A.D.3d 61, 64, 817 N.Y.S.2d 345). Since Respondent's constitutional challenge is asserted in opposition to an Article 75 proceeding in which the Petitioner is seeking a permanent stay of arbitration, and not in declaratory judgment action, respondent's constitutional challenge is not properly before the Court.

Accordingly, it is hereby

ORDERED that the Petition is **GRANTED**, and the arbitration sought by Respondent David Geladze (American Arbitration Association Case Number: 01-25-0002-9135) is **PERMANENTLY STAYED.**

This constitutes the decision and order of the Court.

Dated: April 8, 2-26

PPS

PETER P. SWEENEY, J.S.C.

KINGS COUNTY CLERK
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