

Wednesday September 30, 2015

ICA welcomes certainty provided by legalising ride-hail services in the ACT

The Insurance Council of Australia (ICA) has welcomed the ACT Government's decision to legalise ride-hail services (also known as ridesharing) from the end of October.

The decision will provide certainty for ride-hail drivers and passengers in the ACT, and allow insurers to respond with appropriate products to cover the emerging transport market.

ICA CEO Rob Whelan said the ACT Government's proposed regulatory regime included many of the features the ICA has been advocating for some time.

"The introduction of a separate compulsory third party insurance (CTP) category for ride-hail drivers will reflect the higher risk they are likely to represent due to spending on average more time on the road," he said.

"It also means that, like taxi and hire car drivers, their higher CTP premiums will deliver adequate funds to meet claims without forcing private motorists to subsidise their costs.

"The ICA recommended this course of action in its submission to the ACT Taxi Innovation Review in June, and we're pleased it is being introduced."

Though ride-hailing will soon be legal in the nation's capital, the ICA warns drivers that their comprehensive motor insurance policies will not automatically cover them for the commercial use of their cars.

It also reminds drivers that ride-hail services in other states and territories remain illegal, with regulators in several jurisdictions cracking down on ride-hail drivers.

"If you are already providing a ride-hail service in the ACT, or are considering signing up as a driver, you should check with your insurer to see if you are covered," Mr Whelan said.

"Though some motor vehicle policies may cover these services under strict conditions, most policies exclude the use of a private vehicle for taxi or car-hire style services.

"ACT ride-hail drivers will need to contact their insurance company to find out if their policy is appropriate.

"You can be certain insurers will swiftly respond to market forces by developing products that suit ride-hail drivers, and protect both them and their passengers."

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With the New South Wales Government Point to Point Transport Taskforce now considering its regulatory response to the boom in ride-hail services, the ICA is again calling on other states and territories to review and clarify the legal status of the services.

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