

Monday October 12, 2015

Insurers call for new CTP class for ride-hail services in NSW

The Insurance Council of Australia (ICA) has urged the New South Wales Government to swiftly clarify the legal status of ride-hail (also known as ridesharing) services.

The ICA has also called for the introduction a separate class of compulsory third party (CTP) insurance for ride-hail vehicles.

Though ride-hailing will become legal in the ACT from the end of this month and will include a new class of CTP, the NSW Point to Point Transport Taskforce is still considering how to respond to the growing popularity of the scheme.

In its submission to the Taskforce, made public last Friday, the ICA said an appropriate regulatory regime would enable insurers to provide products to the expanding market for informal point-to-point passenger transport.

“The Insurance Council of Australia calls on all state and territory governments to clarify the legality of ride-hail services so appropriate insurance policies can be developed to protect drivers and their passengers,” said ICA CEO Rob Whelan.

“Though some insurers have already taken steps to cover ride-hail providers under limited circumstances, market forces will ensure the industry fully responds to the commercial needs of these providers once governments clarify the legal status of the services.”

Mr Whelan said it was unfair that ride-hail drivers were using their vehicles commercially while paying the same CTP premiums as private motorists.

“The ICA would like to see ride-hailing vehicles classified separately to normal private-use vehicles in NSW due to the increased time they’re on the road and the probable increase in risk that represents,” he said.

“The owners of cars used for ride-hail services should pay a higher CTP premium to ensure there are adequate funds to meet claims, just like the owners of hire cars and taxis, without forcing private motorists to subsidise their costs.”

The ICA’s submission strongly emphasises the importance of competitive neutrality, which means ride-hail operators should face the same consumer and safety regulations as other service providers in the same transport category as determined by the state government.

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