

June 3, 2014

Car ride share warning

The Insurance Council of Australia (ICA) is urging Australians to be aware of the potential impact car ride-sharing services might have on their motor vehicle insurance.

Several ride-sharing businesses have started trials in Sydney, Melbourne and Brisbane, recruiting private drivers to carry paying passengers in their own vehicles.

ICA CEO Rob Whelan said drivers and passengers may be exposing themselves to substantial financial loss if they are involved in a collision or cause property damage while using car ride-sharing services.

“Any motorist considering providing a ride-sharing service should first discuss this with their insurer to check the impact this might have on their motor vehicle insurance policies, in particular third party property or comprehensive car insurance,” Mr Whelan said.

“Any passengers that use a ride-share service, or any motorist offering a ride-sharing service, should be aware of the high level of uncertainty about how their insurance policies may respond as a result of an incident.”

Mr Whelan said state and territory governments would determine the legality of anyone providing ride-sharing services outside regulated taxi or hire car services.

“Anyone planning to provide ride-sharing services is strongly encouraged to ensure that this is legal in their state or territory, and that any licensing or regulatory requirements have been met,” he said.

Transport NSW says that anyone offering these services has to comply with the Passenger Transport Act, warning that a person who carries on a public passenger service in breach of the Act may face prosecution and fines of up to \$110,000 ([Transport for NSW statement regarding ride sharing apps](#))

The Victorian Taxi Service Commissioner Graeme Samuel has also said the ride-sharing services do not appear to be complying with Victorian law ([Uber ‘ride-sharing’ service under investigation as public warned off app](#)).

The Queensland Government has indicated it would not stand in the way of ride-sharing services, with the Minister of Transport and Main Roads, Scott Emerson, asking the department to investigate whether the ride-sharing services comply with its public passenger transport legislation ([Queensland Government gives Uber ride-share the green light](#)).

For general guidance on car insurance visit: <http://understandinsurance.com.au/types-of-insurance/car-insurance>

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