

*****Begin submission *****

I am in favour of Option 1 ; Create a new vehicle class for ride share service

Reasons:

(1) Vehicle usage

I own a motor vehicle.

I don't use it for commercial purpose,

On average, I only drive less than 10 hours a week. With a driving pattern like this, the risk of accident (and therefore claims on insurer) is low.

For Ride Share - that means I will be bringing the car out to drive a lot more hours. In terms of pure probability of risk of accident, it is much higher, not taking into other factors such as fatigue, provoked bad driving behavior, or stress etc.

On this basis, I think using the car for ride-share should pay a higher premium, otherwise the cost of insurance will be born by those who are not using their car for commercial purpose.

(2) Data

For Insurer, government, or public to understand the impact of share ride have on the road safety, traffic pattern changes, economy, insurance premium etc data is important.

Without the creation of the new class, the RMS, insurance providers etc would not be able to collect the relevant data and inform about premium or sensible changes to policy.

I therefore advocate the creation of the class to enable a more informed public and government.

(3) Financial incentive on good behaviour At present the share ride business is not regulated.

Therefore:

- there is no cap on how many hours a driver is driving on his/her own vehicle for commercial purposes

- there is no assurance on driving safety

- there is no data on how many hours a vehicle is used for commercial share ride and how many hours for private use (other than the ATO who may have this data)

- if a separate class is created, it is possible to reward good behaviour (or track record) by lowering the premium year by year based on low claim rate

- this way, the financial incentive may allow the industry (share ride) to sustain its growth while maintaining safety on the road for the public

I therefore advocate the creation of the class so that there will be a financial lever.

For your consideration.

Regards,

Teresa Pun