

## **Frequently Asked Questions (FAQs) – ridesharing changes**

### **What is compulsory third-party (CTP) insurance and how do I obtain a CTP policy ?**

CTP insurance covers personal injury to third parties arising from a motor accident, such as to passengers in your car or another vehicle, pedestrians and cyclists.

CTP insurance for motor vehicles is compulsory and is paid when you register or re-register your motor vehicle. A CTP policy automatically comes into effect once you register or re-register your motor vehicle. It ceases when you cancel your registration.

### **Why has a new rideshare class being created ?**

The ACT Government has been implementing ridesharing using a two stage approach – a stage 1 interim arrangement (commencing 30 October 2015) and a stage 2 arrangement consisting of the introduction of new laws. CTP insurance has also been progressed along these lines.

The two stage process has allowed time for the private CTP insurers in the Territory to assess the risk of a rideshare vehicle being involved in a motor vehicle accident leading to bodily injury. Consequently an associated CTP premium has now been set and the new CTP rideshare vehicle class has been legislated.

It is important that each vehicle class contributes its own premium (based on risk) to the overall funding pool to ensure that the CTP Scheme is fully funded and able to pay out all motor accident claims.

### **As an existing rideshare operator, when and how do I transfer over to the new CTP rideshare vehicle class ?**

Existing rideshare operators up to 1 April 2016 who have been able to remain in the passenger vehicle class on an interim basis, will need to change to the new CTP rideshare class and pay the higher premium when their registration falls due.

The CTP Regulator will write to you before your registration renewal is due, advising of the need to transfer to the new CTP rideshare vehicle class.

You will need to attend an Access Canberra shopfront to transfer your vehicle to the new CTP rideshare vehicle class.

If you have any queries regarding this process, you can telephone the Access Canberra Contact Centre on 13 22 81.

## **I am a new rideshare operator, which CTP premium vehicle class will I be allocated to ?**

All new rideshare operators commencing on or after April 1 will have to change premium class and pay the additional applicable premium for the balance of their registration period, before you become a rideshare operator.

You will need to attend an Access Canberra shopfront to transfer your vehicle to the new CTP rideshare vehicle class.

## **I am an existing rideshare operator, why can't my vehicle stay in the passenger vehicle class ?**

It is important that the CTP insurers charge appropriate premiums to ensure that they fully fund the existing and expected future liabilities arising from the CTP scheme. Premiums need to be sufficient to guarantee insurers can meet all their obligations to pay injured persons the compensation to which they are legally entitled when claims are finally resolved.

It is therefore important that each type of vehicle has its own premium reflective of the extent to which personal injuries to third parties arising from a motor accident occur (the extent of risk). CTP insurers have assessed ridesharing as having a higher level of risk compared to passenger vehicles, hence requiring a different class and premium.

## **Why do I have to pay a higher premium when I transfer over to the new CTP rideshare vehicle class compared to a passenger vehicle class ?**

Ridesharing has been assessed by CTP insurers as having a higher level of risk compared to passenger vehicles, and as such, a higher premium is payable.

## **What happens if I don't change over to the new CTP rideshare vehicle class ?**

Under the CTP insurance legislation, if you fail to change over to the new CTP rideshare vehicle class and pay the associated new premium, your CTP insurer can recover the outstanding amount as a debt owing to the insurer.

If you deliberately avoid paying the correct CTP policy and a motor accident claim results, your CTP insurer can recover:

- the total amount paid and costs incurred, if the costs reasonably incurred by the CTP insurer for the motor accident claim are not more than \$2,000.00; and
- \$2,000.00 if the costs incurred by the CTP insurer for the motor accident claim are more than \$2,000.00.

## **Which CTP insurance provider can I choose when renewing my registration (CTP policy)**

You are free to choose any CTP insurance brand when registering or renewing your motor vehicle within the new CTP rideshare vehicle class. You may wish to consider price; quality; and other product offerings such as at-fault driver cover when renewing your rideshare motor vehicle.