

# INSURANCE DOUBTS FOR UBER DRIVERS

## TOP LINES:

- Press reports in Western Australia are claiming that Uber drivers do not have insurance cover.
- As Uber is currently deemed to be an “illegal” activity, drivers will not be covered by their insurance policy, which flows from a Common Law principle of Insurance Law.
- It is a matter for the state and territory transport regulators to determine whether or not such activity is “illegal.”

Section 22

## KEY FACTS AND FIGURES

- Uber is a car ride-sharing service currently operating in 58 countries, including Australia. Uber allows users to connect with drivers who will take them to a desired location. This is similar to a taxi service, however almost anyone with a car can be a driver with Uber.

## KEY QUOTE:

- The legality of Uber is a matter for transport regulators in state and territory governments.

## BACKGROUND:

- According to recent press reports, this problem is not confined to Western Australia.

Section 22

- It is claimed that Uber has \$5 million in cover through a US insurer.
  - If a dispute with an overseas insurer arises over a claim, it may prove difficult to enforce their contract as it is unclear under which country's law the contract is used.
  - Legal remedies would be difficult and costly to enforce. Even if the action could be brought in an Australian court, the insured would need to apply to have any favourable finding enforced in the foreign jurisdiction.