

Presentation to City of Toronto, Licensing & Standards Committee September 16, 2015

Uber Insurance Issues

Good afternoon. Thank you for allowing me this opportunity to address Uber insurance and safety concerns.

1. The Financial Services Commission of Ontario issued a bulletin warning that personal auto policies exclude carrying paying passengers as has the Insurance Bureau of Canada which represents 90% of Canadian insurers.
2. The media recently reported examples of UberX claims being denied by personal auto insurers. In one of these cases, a Toronto UberX driver sued Uber claiming he had been misled about insurance.
3. UberX drivers are putting everything they own at risk and can also face severe penalties for hiding this excluded activity from their insurer.
4. Uber's \$5 million corporate Non-Owned Auto policy protects only Uber for its corporate negligence which must be proved.
 - a. Case in point, just last week, Uber's own US insurance company sued Uber alleging that it doesn't have to pay for Uber's recent settlement of a lawsuit involving a fatal car crash claiming it covers only the company's technology functions not its taxi operations.
5. If Uber is an 'app company' consistent with Judge Dunphy's recent decision and because Uber's driver contract shifts the responsibility for insurance and auto accidents from Uber to the driver, this leaves the UberX driver on the hook for the uninsured claims. Furthermore, passengers, pedestrians, cyclists and motorists face enormous uninsured risk. UberX drivers were not a party to the lawsuit between the City and Uber corporately.
6. Precious few insurance companies will insure GTA taxis and those that do look for sound risk management protocols including a valid legal municipal taxi license and regulatory oversight.
7. While discussions might be underway between Uber and the insurance industry, no new automobile product has been approved by the industry's regulator and there are no known time lines.
8. The City's staff report states that Uber processes 17,000 rides in Toronto per day which translates into 6.2 million rides annually, the vast majority of which are hidden under personal auto policies and therefore effectively uninsured.
9. If the denial of injury claims by UberX's personal automobile insurers escalates, the City could possibly be exposed to lawsuits for its failure to enforce municipal by laws.
10. Unlike Uber, Taxis file evidence of \$ 2 million liability insurance with the City including the requisite permission to carry paying passengers. This regulatory oversight provides real security to the public who rely upon this mode of transportation.
11. One final point, apps that gather and store customer information should also be regulated to protect the privacy of users.

Thank you for your time today.

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