



## **ASSOCIATION OF TRINIDAD AND TOBAGO INSURANCE COMPANIES**

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### **Press Release**

#### **UBER – COMMENTARY ON RIDE SHARING APP LAUNCH**

On Monday 16<sup>th</sup> January 2017, Uber officially launched its ride-sharing app service in Trinidad & Tobago. This on demand car service which facilitates commuters to request transport to or from their chosen destination point(s) through the use of their mobile platform has generated considerable interest.

ATTIC in recent times has raised two major issues for consideration, the first being the use for which the vehicle being utilised in this ride sharing service is registered by the Licensing Authority i.e. is it for “hire” or “private use”. In this regard, we draw your attention to the Road Traffic Act Chapter 48:50 in which it is an offence for a person to use his/her vehicle for a purpose other than for which it is registered. This therefore means that a person who uses a privately registered motor vehicle for the purpose of hire or reward would be committing an offence.

In the case whereby a registered taxi is being used to provide the required service, The Motor Vehicle and Road Traffic Act also provides that:

*"No person shall drive on any road a taxi registered as such unless he is the holder of a taxi driver's licence issued to him by the Licensing Authority under these Regulations."*

Persons who sign on with or wish to become Uber drivers should therefore ensure that they are complying with existing laws of Trinidad and Tobago.

The second issue relates to the insurance implications of the Uber service. Under the Motor Vehicles Insurance (Third-Party Risks) Act Chapter 48:51 provision is made for the protection of third parties against risks arising out of the use of motor vehicles. The Act places an obligation on owners of motor vehicles to hold insurance policies or other securities against third party risks and set out the requirements in respect of these policies.

Potential drivers and passengers should however consider whether the vehicles motor insurance coverage will respond in the event of any incident given that certain policies for private vehicles often exclude “driving for hire”. It is recommended that owners and drivers of private vehicles who are interested in providing Uber services contact their insurer, to determine whether their policies may be voidable given that the vehicle is being used for both private activity as well as in the provision of the Uber service.

It should be noted that insurance companies, in keeping with their underwriting policies, may be able to provide coverage for third party risks (i.e. passenger and third party risks) under other liability policies in addition to motor vehicle insurance policies.

ATTIC certainly applauds innovations that enhance the standard of living and levels of service in our communities which are undertaken in full compliance with prevailing regulations and laws. We recognize that the legislative agenda must cater for the fact that businesses are becoming more and more technologically driven in ways that present challenges and also opportunities which, if taken advantage of would enhance economic and sustainable development. In light of the Uber initiative, immediately addressing the motor vehicle legislation would certainly be a step in the right direction.

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