

You are here: [Home](#) > [Automobile Insurance](#) > [Property and Casualty - Auto Bulletins](#) > [2016](#) > A-12/16

Private Vehicles for Hire - Ridesharing: Fleet Insurance Policy (Intact/Uber), Approval of an Electronic Insurance Card for Ridesharing, and Amendments to the Definition of "Fleet"

Bulletin

No. A-12/16
Property & Casualty
- Auto

To the attention of all insurance companies licensed to transact automobile insurance in Ontario and to other interested persons

NOTE: The bulletins that are posted on this website are provided for historical reference purposes. The information in these bulletins is accurate on the date the information is published, but is subject to change and may be replaced by more recent bulletins.

An order that is made regarding a licence holder reflects a situation at a particular point in time. The status of a licence holder can change. Readers should check the current status of a person's or entity's licence on the [Licensing Link](#) section of FSCO's website. Readers may also wish to contact the person or entity directly to get additional information or clarification about the events that resulted in the order.

These bulletins may include forms that are no longer up-to-date or accurate. Readers should visit the [forms](#) section of the FSCO website, to ensure they are using the most recent version of a FSCO form.

The purpose of this bulletin is to communicate a number of important changes related to the insurance of automobiles used in the sharing economy in Ontario, such as private vehicles for hire (commonly referred to as ridesharing services) that use an online-enabled application or system. These changes are relevant to the public, including participants and users of rideshare services that utilize the Uber online network, as well as to insurers, municipal authorities, transportation network companies and other interested stakeholders. These changes include:

Interim Approval of Intact Auto Policy Endorsement forms

1. On July 6, 2016, pursuant to my authority under section 227 of the Insurance Act, I approved a fleet automobile insurance policy proposed by Intact Insurance Company (the "Intact policy").

The Intact policy provides blanket fleet coverage under a standard automobile owner's policy (OAP 1) for private passenger automobiles used in the transportation of paying passengers who utilize an online-enabled system known as "Uber Services" operated by Rasier Operations B.V. (Rasier). Rasier is a transportation network company that contracts with individual "rideshare drivers" who use their own automobiles for hire. It enables passengers to obtain and pay for on-demand transportation using the Uber online-enabled application.

By way of customized endorsements and forms that I have approved, the Intact blanket fleet policy removes the general exclusion against carrying paying passengers found in the OAP 1.

The approved Intact policy addresses a critical insurance gap for ridesharing services. This gap in coverage has previously been identified and publicized by FSCO as well as the insurance industry and other stakeholders. Given the importance of ridesharing to stakeholders, I have decided to issue this bulletin about my approval of the Intact policy forms and related matters. Information about the Intact policy is provided below.

Electronic Insurance Card for Ridesharing

2. I am also approving with this bulletin the use of an electronic insurance card for use in connection with ridesharing, pursuant to my authority under sections 1 and 16 of the Compulsory Automobile Insurance Act. The electronic insurance card will permit rideshare drivers who are covered under the Intact policy the option to provide evidence of insurance electronically using an online-enabled application (e.g., to law enforcement officials). Information about the approved electronic insurance card is provided below.

Change to the Definition of "Fleet"

3. The Ontario government recently approved changes expanding the definition of the term "fleet" as defined under Ontario Regulation 664 under the Insurance Act. The regulation change will make it easier for Ontario businesses to insure a group of privately owned automobiles under one insurance policy as a "fleet" when they are available for hire through a common online-enabled application or system for the pre-arrangement of transportation. Information about the new fleet definition is provided below.

Going forward, I want to emphasize that the sharing economy in general, and the automobile insurance implications in particular, will continue to evolve and will require innovative solutions and responses by all stakeholders, including FSCO, that respond to technological advances. I anticipate new insurance products will be developed and filed for my approval in the future that build upon the approach I have adopted in approving the Intact policy endorsement forms.

At the same time, I want to emphasize that approved solutions may also need to evolve and adapt as circumstances and legal requirements change. Therefore, any policy form or endorsement that I approve is also subject to ongoing review. I may require modifications or changes to be made, and may revoke my approval, if and when I consider it to be in the public interest to do so.

Background

The 2016 Ontario Budget noted that “there continues to be a significant insurance coverage gap for thousands of Ontarians driving and using ride-sharing services every day.”¹ The Budget also stressed “the protection of these Ontario drivers and consumers is a critical government public policy objective and FSCO is aware of the importance to the government of achieving this objective as quickly as possible.”² To achieve this objective, the Budget identified the need for flexible responses, including the possibility of interim regulatory approvals, as a means of addressing some of the current insurance issues. The Budget also recognized that legislative and regulatory changes are necessary to fully integrate the sharing economy into Ontario’s automobile insurance system.

In early February 2016, following my approval of its proposal, Aviva Canada announced the launch of the “Permission to Carry Paying Passengers for a Transportation Network” endorsement to the OAP 1. The Aviva endorsement permits automobiles insured by Aviva to be used for ridesharing activities, subject to certain conditions and limitations. The endorsement is limited to Aviva policyholders who elect to purchase it. Since no other insurers filed similar endorsement forms for approval, the Aviva endorsement, while a positive step, was not sufficient to fully address the significant insurance coverage gap referred to in the Ontario Budget.

Some municipalities, such as the City of Toronto and the City of Ottawa, have now established or are in the process of establishing by-laws that govern the insurance requirements for “private transportation companies” and their drivers.

A number of insurers affiliated with Intact have also filed changes to their underwriting rules to permit ridesharing. We anticipate that other insurers will do the same, going forward.

The approval of this interim insurance product filed by Intact for Rasier and the rideshare vehicle owners and drivers who use the Uber application, meets the flexible direction set out in the Ontario Budget to extend coverage and provide protection to a broader group of affected Ontario drivers and passengers.

An overview of the key features is set out below.³

Interim Insurance Product – Intact Insurance

The Intact policy is an OAP 1 issued to Rasier that includes a non-standard "Coverage for Ridesharing Endorsement" that I have approved that removes the exclusion against carrying paying passengers and establishes the coverage terms and limits. It also includes a non-standard version of the OPCF 21B endorsement form (Blanket Fleet Coverage for Ontario Licensed Automobiles) called the IPCF 21B (Blanket Fleet Coverage for Ontario Ridesharing Endorsement).

Rideshare drivers and rideshare vehicle owners (including lessees if the vehicle is leased), defined in the Certificate of Automobile Insurance, are named insured persons under the policy.

This interim policy, as approved, will be reviewed periodically to ensure it continues to meet the needs of consumers and rideshare participants.

Coverage when Driver Not Logged On

The Intact fleet policy does not provide coverage when the driver is not logged onto the Uber online application, as described below. Coverage under the personal owner's policy for the automobile is applicable.

Pre-Acceptance Period

Primary insurance coverage is provided during the pre-acceptance period (i.e., from the moment a rideshare driver has logged onto the Uber online-enabled application and is available to receive requests for passengers and before a request has been accepted).

During this pre-acceptance period the Intact policy provides primary insurance coverage including: statutory accident benefits; uninsured motorist coverage; third party liability coverage with limits of \$1 million; Family Protection Coverage (OPCF 44R) with limits of \$1 million, and collision and comprehensive coverages with a \$1,000 deductible. Collision and comprehensive coverages under the Intact policy are conditional upon the rideshare vehicle owner having these coverages on the underlying personal owner's policy for the vehicle used by the rideshare driver.

Post-Acceptance Period

Coverage is provided for an automobile operated by a rideshare driver in the "post-acceptance period" (i.e., from the moment a rideshare driver has accepted a request through the Uber online-enabled application, including the period when the automobile is en route to pick up a ridesharing passenger).

Coverage is also provided during the period when the automobile is carrying a ridesharing passenger, including the dropping off of a passenger, and ending when the last passenger departs from the automobile, the trip is ended or cancelled, whichever is later.

During this post-acceptance period the Intact policy provides primary insurance coverage that includes: statutory accident benefits; uninsured motorist coverage; third party liability coverage with limits of \$2 million; Family Protection Coverage (OPCF 44R) with limits of \$2 million, and collision and comprehensive coverages with a \$1,000 deductible. Collision and comprehensive coverages under the Intact policy are conditional upon the rideshare vehicle owner having these coverages on the underlying personal owner's policy for the vehicle used by the rideshare driver.

Priority of Payments for Accident Benefits

For the purpose of determining liability to pay statutory accident benefits under section 268 of the Insurance Act, the Intact policy provides primary coverage and will respond to a claim for statutory accident benefits by a rideshare driver in priority to any other policy in respect of which the rideshare driver is an insured or a named insured.

For passengers, pedestrians or other persons involved in accident with a rideshare vehicle, the applicable rules governing the liability of an insurer to pay statutory accident benefits are set out in section 268 of the Insurance Act.

Sharing of Information and Duty of Cooperation

Intact will take all reasonable measures to have Rasier/Uber facilitate the exchange of relevant information with any party that is directly involved in a claims situation. This information will include the precise time that a rideshare driver logged on and off the digital network in the twelve hours prior to and after an accident. Further information on this information sharing process will be made available by Intact.

Disputes Between Insurers about Statutory Accident Benefits

Any disputes that may emerge between insurers over which insurer is liable to pay statutory accident benefits to a claimant can be addressed through the process set out under Ontario Regulation 283/95 (Disputes between Insurers) under the Insurance Act. Any conduct by insurers that is contrary to Ontario Regulation 283/95 will be subject to appropriate enforcement or regulatory action in accordance with section 439 of the Insurance Act and Ontario Regulation 7/00 (Unfair or Deceptive Acts or Practices).

Leased or Rented Vehicles

For the purpose of determining the order in which third party liability provisions of any policies are to respond where a rideshare automobile is leased or rented, it should be noted that rideshare vehicle owners and drivers who are lessees or renters of automobiles are named insured persons under the Intact policy. The Intact policy therefore responds prior to any other motor vehicle liability policy under which the owner/lessor of the rideshare automobile is entitled to indemnity as an insured named in the contract, in accordance with paragraphs 1, 2, and 3 of section 277(1.1) of the Insurance Act (Order in which policies are to respond).

Note: rideshare drivers who provide ridesharing services using a leased vehicle should consult the lessor to ensure they are not in violation of the terms of the lease. Nothing in my approval

of the Intact policy should be interpreted as overriding any terms or limitations contained in lease agreements.

Approval of Electronic Insurance Card

The Compulsory Automobile Insurance Act (CAIA) requires insurers to issue an insurance card to persons to whom a contract of automobile insurance is made, and requires operators of a motor vehicle to carry an insurance card that can be used for reasonable inspection upon the demand of a police officer. The forms approved to date as insurance cards in Ontario include the Motor Vehicle Liability Insurance Card (i.e., the pink slip), and the Certificate of Automobile Insurance.

Although rideshare drivers using the Uber services will be carrying the pink Motor Vehicle Liability Insurance Card from their own personal automobile insurer, with this bulletin I have approved an electronic insurance card that provides evidence of Intact's insurance policy coverage.

The [approved electronic insurance card is attached](#) to this bulletin and includes the following information: name of insured; name and address of the insurance company; agent or broker; insurer phone number; policy number; effective date; date of expiry; licence plate number, and insured vehicle year, make and model. The approved electronic insurance card will also have a link to the Intact Certificate of Automobile Insurance (also approved by me) with all details of the coverage by Intact.

This new electronic insurance card has been approved under sections 1 and 16 (2) of the CAIA.

On the issue of whether electronic insurance cards may be approved in the future for use more broadly in Ontario, I would note that the Canadian Council of Insurance Regulators (CCIR) has recently released its "Electronic Proof of Automobile Insurance Issues Paper" for public consultation. The paper sets out the findings and recommendations on coordinating efforts to operationalize the electronic proof of automobile insurance in Canada. Further information on this paper can be found on the CCIR website (www.ccir-ccrra.org .

Fleet Definition Change

To facilitate the insuring of groups of automobiles as a fleet, the Ontario Government has recently approved changes to the definition of the term “fleet” under section 1 of Ontario Regulation 664 under the Insurance Act.

A fleet must include a group of at least five automobiles that are commercial vehicles, public vehicles or vehicles used for business purposes. Contracts of automobile insurance that insure a fleet are exempt from sections 410 to 417 of the Insurance Act (approval of risk classification systems and rates).

The regulation change allows a group of automobiles available for hire through a common on-lined enabled application or system for the pre-arrangement of transportation to qualify as a fleet, even if the automobiles are not under common ownership or management. An automobile owner, or lessee as the case may be, must have coverage as an insured named in the contract insuring the fleet.

This change became effective upon filing of the amending regulation. The filed regulation making this amendment is O. Reg 252/16 and is expected to be published in a future edition of The Ontario Gazette. The Insurance Act and regulations can be downloaded from the e-laws website at www.e-laws.gov.on.ca .

Consumer Advisory

Participation in ridesharing services may impact a personal automobile insurance policyholder’s coverage due to provisions under the Ontario Automobile Policy (OAP 1).

Persons who are considering participating in ridesharing or private vehicles for hire are strongly advised to inform their insurance agent or broker of their own personal automobile insurance carrier of their intent to provide these services.

Consumers participating in ridesharing services should also be aware that the coverage, limits and deductibles provided under the Intact policy may differ from the coverage on their own automobile insurance policy.

Consumers with leased vehicles or car loans participating in ridesharing or peer-to-peer rental of their vehicles should also review the terms and conditions of their leases and loans prior to

participating in ridesharing arrangements to ensure they comply with their lease or loan requirements.

As a condition of this approval, Intact and/or Rasier have undertaken to provide rideshare drivers with a clear explanation of the insurance coverage available under the Intact policy and the process for submitting insurance claims when an accident or damage occurs.

Applicability to Other Ridesharing Arrangements

FSCO will work with any insurance company that expresses interest in developing new insurance products for ridesharing arrangements. The framework outlined in this bulletin may be used by other insurers that are considering insurance coverage for other forms of ridesharing or private vehicle for hire enterprises. Insurers may file applications for new proposals with FSCO. FSCO will review those applications in accordance with regulatory requirements.

Insurers are advised to contact their analyst in the Automobile Insurance Services Branch at FSCO to discuss possible insurance arrangements for any other ridesharing arrangements or if they have questions regarding this bulletin.

Brian Mills
Chief Executive Officer and
Superintendent of Financial Services

July 7, 2016

Attachment

**Motor Vehicle Liability Insurance Card/
Certificat d'Assurance Automobile Responsabilité**

Name of Insured/Nom de l'Assuré:

**Name and Address of Insurance Company/Nom et
Adresse de la Compagnie d'Assurance:**

Agent or Broker/Agent ou Courtier:

Insurer Phone Number/Numéro de Téléphone:

Policy Number/Police Numéro :

Effective Date/Date d'Entrée en Vigueur:

Date of Expiry/Date d'Expiration:

Licence Plate Number/Numéro de Plaque:

Insured Vehicle/Véhicule Assuré:

Year/Année:

Make/Marque:

Model/Modèle:

[Certificate of Automobile Insurance](#)

1 2016 Ontario Budget, page 48

2 2016 Ontario Budget, page 48

3 This overview is intended as a summary for reference purposes only. If there is any inconsistency between this summary and the actual wording of the approved endorsement forms it should be resolved in favour of the wording contained in the forms as approved