

Tuesday January 19, 2016

Insurers welcome NSW Government moves to better regulate entire sharing economy

The Insurance Council of Australia (ICA) has welcomed steps by the New South Wales Government to move towards a regulatory framework governing the entire sharing economy.

Coming just weeks after the NSW Government legalised ride-sharing services, today's position paper gives insurers hope that greater clarity over the regulation of other collaborative economy businesses is not far off.

Noting one of the government's five guiding principles in the position paper was ensuring consumer protection and safety, ICA CEO Rob Whelan said insurers had a vital role to play in that regard.

"Insurers agree that sharing economy companies and those who operate them must have appropriate insurance policies to cover customer and third-party risk," Mr Whelan said.

"The ICA's member companies are already responding to market demands by creating products to protect the thousands of new micro-business owners and operators, and their many customers.

"Initiatives like this one that seek to provide more certainty about the regulatory environment governing sharing economy businesses can help speed up that process."

Mr Whelan said the ICA remained committed to the principal of competitive neutrality whereby "like" businesses were subject to the same rules and regulations.

"The position paper states the importance of achieving the right balance of regulation so that innovation is not stifled. While recognising the extraordinary economic potential of these new digital business platforms, the ICA believes traditional business models are entitled to a level playing field so they're not subject to regulations and compliance costs that digital startups can skirt," he said.

"The ICA and its member companies will continue to work with all levels of government as they seek to respond to the changing business environment."

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