

UBER CANADA, INC.
SUBMISSIONS TO THE MANITOBA PUBLIC UTILITIES BOARD
RE: Manitoba Public Insurance Corporation - 2018 Interim Vehicles for Hire Rate
Application

Introduction

Uber Canada Inc. and its affiliates ("Uber") leverage a proprietary digital platform to connect ridesharing drivers with persons requesting transportation services. Should Uber elect to enter the Manitoba market, the drivers using Uber's app would constitute the largest group of purchasers for the Manitoba Public Insurance Corporation ("MPI") proposed Vehicle for Hire insurance product associated with ridesharing.

While Uber appreciates the effort that MPI has devoted to the development of its proposed ridesharing insurance product, Uber is respectfully of the view that the structure of the insurance product, including its rate bands, does not meet the insurance needs of rideshare drivers using the Uber app.

The Proposed Insurance Product

As outlined in MPI's filing, MPI is proposing a rideshare insurance product that would function as an "add on" to drivers' personal basic coverage. Drivers would purchase add on ridesharing coverage in time bands, depending on which times of the day a driver wants to drive in. This product structure differs greatly from insurance models in place across North America (including Ontario, Alberta and Quebec) and deviates in several important ways from the type of insurance that Uber has found to be effective in North America.

Effective Ridesharing Insurance

In order to be effective, ridesharing insurance needs to have certain characteristics.

Effective Rideshare Insurance:

- Facilitates compliance
 - Allows rideshare company to purchase commercial insurance on behalf of drivers so that the rideshare company and regulator know that consistent coverage is in place and rideshare drivers, a majority of whom drive only 5-10 hours a week for durations of less than a year, are not individually burdened by cost of commercial rideshare insurance
- Recognizes that many drivers rideshare on a part-time basis
 - Traditional taxi insurance is based on very heavy usage - i.e. one cab driven in shifts by multiple taxi drivers which can result often in 24/7 use

- Most rideshare drivers in Canadian cities engage in commercial activity for only 5-10 hours per week
- Effective rideshare insurance bases premium on the number of KMs actually driven
- Minimizes friction for drivers since many drivers are trying ridesharing for the first time
 - Avoids requiring drivers to make changes to their personal insurance
- Minimizes workload for insurer
 - Avoids a situation where a backlog occurs as a result of a large numbers of rideshare drivers approaching broker/MPI to change to a different insurance class

Assessing the Proposed Product Using the Elements of Effective Ridesharing Insurance

- Facilitates compliance
 - The proposed product will make it very difficult for ridesharing companies to assess compliance with insurance requirements. Drivers can, and may have to, change their personal policies on a daily or weekly basis depending on what times of the day they want to be covered to drive, which can present potential issues with compliance.
- Recognizes that many drivers rideshare on a part-time basis
 - The proposed product does not accommodate part-time drivers who want to drive at different times of the day for a very limited number of hours. Those drivers would be forced to purchase every band at a cost that will prohibit drivers from trying ridesharing.
- Minimizes friction for drivers since many drivers are trying ridesharing for the first time
 - The proposed product will create friction for drivers by requiring drivers to make changes to their personal insurance.
 - The time band element of the product would require drivers to potentially make changes multiple times per month if drivers want to drive at different times.
 - Drivers will need to track their driving hours and potentially refrain from driving during times of high demand due to their limited insurance coverage if they have only purchased certain bands.
- Minimizes workload for insurer
 - MPI/brokers will be required to process multiple requests for changes in personal automobile insurance, both when drivers first begin ridesharing and when drivers wish to change the time of day when they have insurance coverage.

The North American Ridesharing Insurance Model

Throughout North America, regulators have permitted ridesharing companies to purchase commercial, blanket insurance covering drivers while they are engaging in ridesharing activity. Uber has found that this is the insurance model that best protects drivers, passengers, pedestrians and the public.

Under this model:

- The driver's personal policy covers personal use
- The blanket policy covers rideshare use
- The blanket policy is Uber purchased with robust limits and coverage
- The blanket policy is priced on KMs driven - KMs are tracked by Uber systems









This model used in the United State and has also been approved for use in Ontario, Alberta and Quebec. A schematic of Alberta program is below - rideshare coverage is placed with a private insurer. For Manitoba, it would be MPI.



Product Comparison

For ease of reference, the following chart outlines the features of the proposed MPI product versus the characteristics of blanket insurance:

	Facilitates Part Time Activity	Minimizes Friction for Drivers	Minimizes Friction for Insurers	Facilitates Compliance
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MPI Proposed Insurance				
North America Wide Blanket Insurance				

Conclusion

Based on the deficiencies in the MPI proposed product versus the type of insurance that is available to ridesharing companies in cities across North America, Uber will, unfortunately, be unable to consider expansion of services to Winnipeg on March 1, 2018. In the absence of a commercial, blanket policy designed to cover all drivers during ridesharing activity, Uber will find it difficult from a risk and compliance perspective to do business in Manitoba. We feel that this will be detrimental to the citizens of Manitoba who are seeking efficient, safe transportation.

Thank you for considering our submissions.