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Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
400 North Third Street
Harrisburg, PA 17120

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: Docket Number L-2017-2604692 - Minimum insurance requirements for motor carriers of passengers

Secretary Chiavetta:

We offer the following observations on the PUC's proposed increase in the minimum insurance requirement for taxis as set forth in Section 32.11 of Title 52 of the Pennsylvania Code.

- **Are the current minimum coverage requirements for taxis inadequate?**
And how should the Commission make that determination?

We aren't sure what criteria the Commission is using to evaluate whether the current minimum coverage amounts are adequate. From the notice in the July 7 **Pennsylvania Bulletin**, it seems the Commission has received a few comments "suggesting" the PA minimums are insufficient, it has looked at the minimums required in four other states (all higher than those in PA), and it has noted higher minimums required of TNCs. Those three factors may be enough to embark on a deeper study of the issue – but on their own, they don't seem to justify a finding of inadequacy or a need to increase the minimums by more than 350%. The Commission should at least examine the following:

- The Commission should survey all 50 states, not just four, and it should consider differences in how those states' insurance coverage laws may work. For instance, do those states have combined minimums when a taxi is part of a fleet, as in PA?
- Are claims against taxis generally within or over the current minimums? Proponents of increasing minimum coverage often argue the minimum hasn't increased in a long period of time, as if time alone were justification for an increase. More compelling should be data on the dollar amount of average claims for both property damage and bodily injury claims.
 - o The General Assembly has at times considered raising the minimums *for private passenger auto insurance, which corresponds to that for taxis*. It discovered that average claims remain well within the auto minimums. Maybe that won't be true for taxis, but the Commission should at least consider that.
- How many taxis are at the minimum amount, as opposed to electing to purchase higher levels? For instance, do taxis in urban areas generally purchase more coverage?
- What will be the impact of the proposed increase? Will it push some taxis out of business, or will it raise their rates or otherwise threaten their viability? Will it reduce underinsured claims against other insurers, or only inflate claims against taxis? Will it answer needs of taxi passengers, or of pedestrians or other motorists with claims against taxis?
- Who is suggesting the minimum coverage amounts in Section 32.11 are inadequate, and with what evidence or even anecdotes? Are there a significant number of claims against taxis that exceed the current minimums but would fall within or close to the proposed minimums?

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- Most important, are consumers suffering from the current minimums? Are they in accidents with taxis – whether as passengers, pedestrians or other cars - and suffering from either property damage or bodily injury without adequate taxi coverage to address their claims?

We provide insurance, so having government require taxis purchase more insurance means more business for us. Nonetheless, we are wary of government setting the amount of insurance coverage that any business or individual must purchase: It is an appropriate function, but one that should be based on thorough research, especially when – as here – the increase is by such a large amount and without any apparent compelling problem or consumer outcry.

The Commission may end up determining the current minimums are too low and should be increased or otherwise changed. We may support that. But we recommend any final decision be based on real research, which seems lacking to date. Absent that research, neither the Commission nor the public has the underlying information needed to determine the current minimum levels in Section 32.11 are inadequate.

Thank you for the opportunity to comment. We are happy to participate in any further deliberations Commission has on this.

Sincerely,



Sam Marshall

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