

### Taxicab Coverage

As recently reported in Circular Letter No. 18 (1998) of the State of New York Insurance Department, the New York City Taxi & Limousine Commission (TLC) has amended Title 35 of the Rules of the City of New York, Chapter 1, Taxicab Owners Rules, which are applicable to both medallion taxicabs and for-hire vehicles. Specifically, Section 1-40 of Title 35, Insurance Coverage, subdivision (d) has been amended to require that each owner shall, for each for-hire vehicle (e.g., taxicab, livery, black car, silver car, limousine) owned by him or her, maintain bodily injury liability coverage for injury to one person in a motor vehicle accident in an amount not less than \$100,000 per person and for injury to two or more persons for injury in an accident in an amount of not less than \$300,000, and to maintain personal injury protection (no-fault) coverage in an amount of not less than \$200,000 per person. (It is unclear whether the \$200,000 no-fault coverage is intended to be \$200,000 basic coverage, or \$50,000 basic coverage, plus \$150,000 in Additional PIP coverage). These new required minimum limits are substantially higher than the minimum limits previously required by law for taxicabs and for-hire vehicles, and currently required of all other types of vehicles, i.e., \$25,000/\$50,000 liability coverage and \$50,000 no-fault coverage, and which most, if not all such vehicle owners elected to carry. Although no separate amount of minimum coverage is specified for death cases, insofar as the new required limits of \$100,000/\$300,000 are higher than the statutory minimum, it is presumed that such limits will be applicable for death as well.

Pursuant to the TLC rules, applicants for licensing by the TLC are required to demonstrate by September 1, 1998 that they have liability insurance coverage and no-fault

coverage that meet these new requirements. These requirements may be satisfied by either a single policy providing the required limits on a primary basis to existing insured or to new insured, or alternative, by means of an excess policy which, in combination with the insured's primary policy, provide limits that are at least equal to the new requirements. Insofar as the new rules are internal TLC rules only, and have not been adopted as Insurance Department regulations or statute, it is unclear how the rules are going to be enforced. If all that is required of an owner is to demonstrate to the TLC that the higher limits were purchased, what is to prevent an owner from obtaining the required coverage, showing the TLC a declaration page for such coverage, and then requesting his insurer to reduce his coverage to the statutory minimums. We submit that in order for these rules to have any real teeth, they should be codified either by the Insurance Department or by the Legislature.