



DEPARTMENT OF TRANSPORTATION

NEWS

URBAN MASS TRANSPORTATION ADMINISTRATION

WASHINGTON, D. C. 20590

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UMTA 77-24

DOT AWARDS GRANT TO STUDY PARATRANSIT INSURANCE MARKET

The state of the casualty/liability insurance market for taxi and other paratransit operations is the subject of a \$67,812 study being funded by the U.S. Department of Transportation's Urban Mass Transportation Administration (UMTA). The International Taxicab Association (ITA) of Rockville, Maryland will conduct the six-month study.

Sharply rising liability insurance rates for paratransit operations, and the withdrawal of many insurers from the paratransit market have threatened the very existence of increasing numbers of operators. A cab company in Fort Wayne, Indiana, for instance, is paying 100 per cent higher insurance rates this year, despite its no-losses record during 1976. Other companies, including Yellow Cab of California, have been forced out of business by high rates and the shrinking pool of insurers.

The UMTA study is designed to clarify existing information and outline various courses of action which might help resolve the problem. The grant activity will be two-pronged:

- (1). The International Taxicab Association (ITA) will gather information from the taxi industry on existing coverage, legal requirements, premium costs and losses within the past five years. Brokers specializing in paratransit insurance, state insurance commissioners, the Insurance Services Office and

a number of companies insuring paratransit operations also will be contacted.

- (2). An Advisory Board, including representatives from the U.S. Department of Transportation, ITA, the insurance and paratransit industries and regulatory agencies, will be established to structure the study, review project reports and make recommendations.

A final report is scheduled to be issued in six months.

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A local source for additional information is Mr. Richard Gallagher, executive vice president, International Taxicab Association, 11300 Rockville Pike, Rockville, Maryland 20852, telephone (301) 881-1333.

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