

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, DC

ORDER NO. 4652

IN THE MATTER OF:

Served August 28, 1995

Application of GREYHOUND LINES, )  
INC., for Authorization to Self- )  
Insure )

Case No. AP-89-26

Revocation of Authorization of )  
GREYHOUND LINES, INC., to Self- )  
Insure )

Case No. MP-90-12

In 1989, the Commission granted the application of Greyhound Lines, Inc. (GLI), for authorization to self insure against the first \$5 million in claims for bodily injury and property damage (BI&PD) arising out of a single accident.<sup>1</sup> The authorization was subject to several conditions, including maintenance of a \$15 million irrevocable letter of credit and/or trust fund.<sup>2</sup> GLI's authorization was lowered to \$1.5 million in Case No. MP-90-12 upon GLI entering bankruptcy in 1990.<sup>3</sup> GLI emerged from bankruptcy in 1991.<sup>4</sup> In 1993, GLI filed a motion requesting restoration of the full \$5 million authorization originally granted. The motion was granted subject to GLI continuing to maintain a \$15 million irrevocable letter of credit and/or trust fund, and GLI was directed to file a copy of the letter of credit or trust fund agreement within sixty days.<sup>5</sup>

On May 2, 1994, GLI filed a copy of a trust fund agreement. Under the terms of GLI's self-insurance authorization, the agreement was to be established so that it may not be revoked until all cognizable claims arising during the time GLI holds WMATC authority to self-insure have been settled.<sup>6</sup> Further, the agreement was to provide

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<sup>1</sup> In re Greyhound Lines, Inc., No. AP-89-26, Order No. 3418 (Oct. 4, 1989).

<sup>2</sup> Id.

<sup>3</sup> In re Greyhound Lines, Inc., No. MP-90-12, Order No. 3529 (July 23, 1990).

<sup>4</sup> In re Greyhound Lines, Inc., No. MP-90-12, Order No. 4009 (Oct. 14, 1992).

<sup>5</sup> In re Greyhound Lines, Inc., No. AP-89-26, Order No. 4204 (Nov. 16, 1993).

<sup>6</sup> Id.

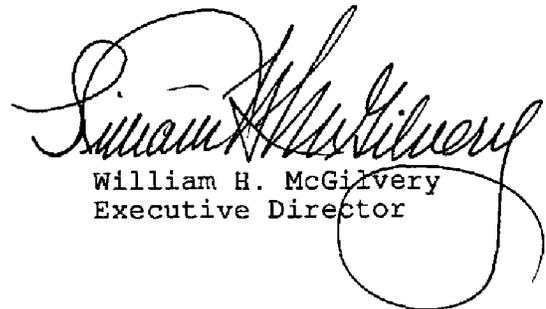
for notice to this Commission in the event of various contingencies.<sup>7</sup> The Commission was to approve the terms of the trust fund agreement prior to its effective date.<sup>8</sup>

A review of GLI's trust fund agreement reveals that it does not comply with the terms of GLI's self-insurance authorization. The agreement provides that it may be terminated once all claims arising during the time GLI holds Interstate Commerce Commission authority have been settled. There is no prohibition of termination while WMATC claims remain unsettled. Furthermore, the agreement does not contain the required WMATC notice provisions. Accordingly, we are unable to approve said agreement.

At present, GLI does not have on file with the Commission any evidence of insurance for the first \$1.5 million in BI&PD liability, as required by Commission Regulation No. 58. GLI therefore shall have thirty days to file such evidence, in the form of an effective certificate of insurance, or letter of credit and/or trust fund agreement complying with the terms of GLI's self-insurance authorization.

THEREFORE, IT IS ORDERED that GLI shall have thirty days from the date of this order to file a certificate of insurance for the first \$1.5 million in BI&PD liability, or evidence of compliance with the terms of GLI's self-insurance authorization, or show cause why GLI's Certificate of Authority No. 139 shall not be revoked.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS ALEXANDER, LIGON, AND SHANNON:



William H. McGilverey  
Executive Director

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<sup>7</sup> Id.

<sup>8</sup> Id.