

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, DC

ORDER NO. 16,698

IN THE MATTER OF:

Served November 22, 2016

Rulemaking to Amend Rules of ) Case No. MP-2016-193  
Practice and Procedure and )  
Regulations, Regulation )  
Nos. 58-04, Acceptable Endorsement, )  
58-06, Endorsement Filing, and )  
58-08, Notice of Cancellation )

Pursuant to Title II of the Compact, Article XIII, Section 3, and Commission Rule No. 30, the Washington Metropolitan Area Transit Commission, (Commission or WMATC), hereby amends Commission Regulation No. 58 to require that insurance filings be made through the Commission website and include the insured's WMATC carrier number.

**I. CORE INSURANCE REQUIREMENTS**

WMATC licenses private sector motor carriers transporting passengers for hire between points in the Washington Metropolitan Area Transit District (Metropolitan District), pursuant to the Washington Metropolitan Area Transit Regulation Compact,<sup>1</sup> (Compact). Carriers licensed by WMATC must comply with the minimum insurance requirements specified in Commission Regulation No. 58-02.

Carriers with operating authority unrestricted as to vehicle seating capacity shall maintain minimum insurance coverage of \$5,000,000, Combined Single Limit, (bodily injury, death, and property damage) per accident.<sup>2</sup> Carriers with operating authority restricted to vehicles seating 15 persons or less, including the driver, shall maintain minimum insurance coverage of \$1,500,000, Combined Single Limit, (bodily injury, death, and property damage), per accident.<sup>3</sup>

A carrier operating under temporary authority or a certificate of authority issued by the Commission (WMATC carrier) shall maintain on file with the Commission at all times an acceptable, effective "WMATC Certificate of Insurance and Policy Endorsement" (WMATC Insurance Endorsement).<sup>4</sup> A WMATC Insurance Endorsement must be signed (manually or by stamp or machine) by a person designated for that

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<sup>1</sup> Pub. L. No. 101-505, § 1, 104 Stat. 1300 (1990) (codified at D.C. CODE ANN. § 9-1103.01; MD. CODE ANN., TRANSP. § 10-203; & VA. CODE ANN. §§ 56-529, 530).

<sup>2</sup> Reg. No. 58-02(c)(i).

<sup>3</sup> Reg. No. 58-02(c)(ii).

<sup>4</sup> Reg. No. 58-03.

purpose by an authorized representative of the insurer in a written authorization on file with the Commission.<sup>5</sup> A WMATC Insurance Endorsement may not be canceled except on a minimum 30 days' notice to the Commission.<sup>6</sup>

## **II. INSURANCE FILING PROCEDURES AT ISSUE**

As noted above, this rulemaking addresses two insurance filing procedures. One concerns acceptable filing methods. The other concerns acceptable forms.

### **A. Acceptable Filing Methods**

Since 2014, Regulation No. 58-18 has required all insurers of WMATC carriers to obtain a WMATC Electronic Filing ID for the purpose of filing WMATC Insurance Endorsements and notices of cancellation through the Commission website. Each insurer assigned an ID is responsible for keeping its ID and password secure. If an insurer chooses to have its filings made by a third party, it may share the ID and password with that entity.

Obtaining an ID has been mandatory. Using it has not. Under Regulation No. 58-06: "A WMATC Insurance Endorsement may be filed by any reasonable means - including by fax, email or other electronic means - provided the filing is legible." Under Regulation No. 58-08: "A notice of cancellation may be filed by any reasonable means - including by fax, email or other electronic means - provided the filing is legible."

Despite the various filing options currently available under Regulation No. 58, the Commission estimates that approximately 95% of filings are made through the Commission's website under a WMATC Electronic Filing ID. It is easy to see why. Insurance filings made through the WMATC website are processed via a secured link. Filers using the website receive prompt written confirmation of their filings. Other filing methods do not offer both of these important advantages to filers.

From the Commission's perspective, filings made through the WMATC website are self-authenticating and more convenient to process than those received by mail, fax, and email.

Given the foregoing advantages and 95% voluntary filing rate, the Commission has determined that requiring all insurance filings to be made under a WMATC Electronic Filing ID is reasonable and desirable and should be implemented as soon as possible. Naturally, on those occasions when the WMATC website is not fully functional, filers may use the alternative filing methods recognized in the past, (mail, fax, email), provided that filers using such other methods to file a WMATC Insurance Endorsement on an emergency basis shall be required to make

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<sup>5</sup> Reg. No. 58-04(d).

<sup>6</sup> Reg. No. 58-07(b).

a follow-up filing under Electronic Filing ID once full functionality of the Commission's website has been restored.

#### **B. Acceptable Forms**

Beginning in late 2015, the Commission embarked on a pilot program whereby staff assessed the pros and cons of requiring insurance filers to include a carrier's WMATC number on WMATC Endorsements and cancellation notices.

The pilot program began with one filer and was such a success it was quickly expanded to all other filers on a voluntary basis. Today, approximately 80% of filers voluntarily include the carrier number on each filing. Entering the carrier number saves time for filers and the Commission. For example, WMATC Regulation No. 58-04 requires that WMATC Endorsements display the carrier name on file with WMATC and an address on file with the Commission for that carrier. Regulation No. 58-08 requires that cancellation notices identify the insured, as well. Errors surface sooner when filers are required to verify that the insured is in fact a WMATC carrier before attempting a filing, and name and address mismatches between insurance company records and WMATC records for actual WMATC carriers come to light sooner, resulting in fewer erroneous filings. Fewer rejections save time for staff and filers.

Given the foregoing advantages and high pilot participation rate, the Commission has determined that requiring insurance filings to include the insured's WMATC carrier number is reasonable and appropriate and should be implemented as soon as possible.

#### **III. AMENDMENTS TO FILING PROCEDURES IN REGULATION NO. 58**

Based on the discussion above, the Commission hereby amends its filing procedures under Regulation No. 58,<sup>7</sup> such that upon the effective date specified below, Regulation Nos. 58-04, 58-06, and 58-08 shall read as follows:

58-04. Acceptable Endorsement. A WMATC Insurance Endorsement must be completed in its entirety. Incomplete Endorsements will not be accepted. A WMATC Endorsement must:

- (a) display the carrier name, and any trade name, on file with the Commission;

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<sup>7</sup> The Commission finds good cause to adopt these changes without opportunity for public comment. Article XIII, Section 3, of the Compact does not require such opportunity, the public is not directly affected, and the overwhelming majority of filers have signaled their support by voluntarily participating in the Commission's optional filing programs, most for over one year. In addition, the changes are procedural in nature, not substantive, and given our experience with said programs, a notice and comment period is unlikely to yield new information but would only serve to delay the final marginal expansion of these beneficial amendments to the few remaining filers not already on board.

- (b) display a carrier address that matches an address for that carrier on file with the Commission;
- (c) be issued in accordance with state and local insurance laws by an insurer licensed or authorized to issue insurance policies in at least one of the fifty states or the District of Columbia;
- (d) include the insured's WMATC carrier number.

58-06. Endorsement Filing. A WMATC Insurance Endorsement shall be filed through an electronic filing system maintained by the Commission, under an Electronic Filing ID obtained pursuant to Regulation No. 58-18. On those occasions when the electronic filing system is not functioning properly, filers may file a WMATC Endorsement by other reasonable method, such as courier, mail, fax, or email. Filers using such other methods to file a WMATC Insurance Endorsement on an emergency basis shall make a follow-up filing under Electronic Filing ID once the electronic filing system is functioning properly again.

58-08. Notice of Cancellation. A notice of cancellation must identify the insured, state the number of the policy being cancelled, and include the WMATC carrier number. The notice shall specify an effective date; provided, that cancellation shall not be effective sooner than thirty (30) days after the date notice is received by the Commission. A notice of cancellation shall be filed through an electronic filing system maintained by the Commission, under an Electronic Filing ID obtained pursuant to Regulation No. 58-18. On those occasions when the electronic filing system is not functioning properly, filers may file a WMATC Endorsement by other reasonable method, such as courier, mail, fax, or email.

#### **IV. EFFECTIVE DATE**

Consistent with Article XIII, Section 3(c), of the Compact, the amendments herein shall be effective 30 days after the date of this order.

IT IS SO ORDERED.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS HOLCOMB, DORMSJO, AND RICHARD:



William S. Morrow, Jr.  
Executive Director