

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 1517

IN THE MATTER OF:

Application of)	Served March 15, 1976
THE GRAY LINE, INC.,)	
for Approval as a)	Application No. 915
Self-Insurer)	

By Application No. 915, filed February 17, 1976, The Gray Line, Inc. (Gray Line) seeks approval as a self-insurer pursuant to the provisions of the Compact, Title II, Article XII, Section 9(a). Gray Line's public liability and property damage insurance coverage is separated between two insurance programs. The initial fifty thousand dollars of any one loss would be covered by a self-insurance retention plan. As to coverages in excess of fifty thousand dollars, Gray Line has two policies with North American Company which provide total coverage for buses to five million dollars.

The self-insurance retention plan would be managed by ESIS, Inc., a subsidiary company of INA Corporation, pursuant to an agreement with Gray Line. ESIS would examine all claim and loss reports relating to personal injury, sickness, or disease and loss, damage, or destruction of property. ESIS would conduct an investigation of the reported claims and losses and adjust and handle to conclusion those claims it believes Gray Line is legally obligated to pay or which Gray Line wishes to pay. ESIS also would perform all reasonable and necessary administrative and clerical work, including the maintenance of a claim file for each reported claim and the provision of all forms necessary for the efficient operation of the self-insurance program. Gray Line would make funds available upon which ESIS could draw for claim or loss payments. The contractual arrangement would be in effect for a period of one year from date of inception and

would be automatically renewable each year thereafter unless written notice to the contrary were given by either party to the other sixty days prior to the anniversary date.

The Compact, Title II, Article XII, Section 9(a) provides as follows:

No certificate of public convenience and necessity shall be issued under Section 4, and no certificate issued under such section shall remain in force, unless the person applying for or holding such certificate complies with such reasonable regulations as the Commission shall prescribe governing the filing and approval of surety bonds, policies of insurance, qualifications as a self-insurer or other securities or agreements, in such reasonable amount as the Commission may require, conditioned to pay, within the amount of such surety bonds, policies of insurance, qualifications as a self-insurer or other securities or agreements, any final judgment recovered against such carrier for bodily injuries to or the death of any person, or for loss or damage to property of others, resulting from the operation, maintenance, or use of motor vehicles, street cars, or other equipment or facilities utilized in furnishing transportation subject to this Act.

The proposed self-insurance retention plan would exceed the minimum security amounts required by Commission Regulation 62-02.

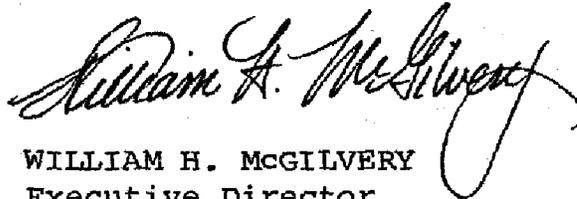
According to Gray Line, the self-insurance retention plan would effect a premium cost savings. Moreover, Gray Line has submitted as part of its application a balance sheet as of September 30, 1975. That financial statement indicates \$589,425 of current assets and \$268,896 of current

liabilities. That financial statement also indicates long-term debt in the amount of \$205,089 and equity in the amount of \$545,375. The Commission believes that Gray Line's financial condition would provide sufficient capital to support the proposed self-insurance retention plan.

The Commission believes that the proposed self-insurance retention plan should be approved. Gray Line's insurance program would provide reasonable security for the public. The insurance program would provide sufficient funds to satisfy any final judgment recovered against Gray Line for bodily injuries to or the death of any person, or for loss or damage to property of others, resulting from the operation, maintenance, or use of motor vehicles or other equipment or facilities utilized in furnishing transportation subject to the Compact.

THEREFORE, IT IS ORDERED that Application No. 915 of The Gray Line, Inc., for approval as a self-insurer be, and it is hereby, granted.

BY DIRECTION OF THE COMMISSION:



WILLIAM H. MCGILVERY
Executive Director

