

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D.C.

ORDER NO. 2866

IN THE MATTER OF:

Served May 29, 1986

Investigation of Compliance and )  
Order to Show Cause Directed to )  
ALEXANDRIA TRANSIT COMPANY, )  
Certificate No. 119 )

Case No. MP-86-02

Application of ALEXANDRIA TRANSIT )  
COMPANY for Approval of \$25,000 )  
Self-Insurance Retention )

Case No. AP-86-18

By Order No. 2846, served April 11, 1986, and included herein by reference, an investigation was instituted in Case No. MP-86-02; Alexandria Transit Company ("ATC") was made a party respondent; ATC was directed to comply with the Commission's minimum insurance requirements; the case was scheduled for public hearing; ATC was assessed expenses, and ATC's Certificate No. 119 was suspended.

On May 1, 1986, ATC paid the assessment, moved the Commission to cancel the scheduled public hearing, and filed an application (Case No. AP-86-18) for approval of \$25,000 self-insurance retention pursuant to Commission Regulation 62-05.

By Order No. 2856, served May 8, 1986, the public hearing was postponed until further order of the Commission. The application for approval of self-insurance retention lacked the statement of financial condition required by Regulation 62-05, and this was requested by letter of May 8, 1986. A statement of financial condition as of June 30, 1985, the end of ATC's fiscal year, was filed May 19, 1986.

This matter is before us pursuant to our Regulation 62-05, which states:

Qualifications as a Self-Insurer. The Commission will give consideration to, and will approve the application of, a carrier to qualify as a self-insurer if such carrier furnishes a true and accurate statement of its financial condition and other evidence which will establish to the satisfaction of the Commission the ability of such carrier to satisfy its obligations for bodily injury liability and property damage liability without affecting the stability or permanency of the business of such carrier.

ATC is a non-profit corporation established and wholly-owned by the City of Alexandria. The annual financial report, prepared by the City's Director of Finance, reports ATC as a separate enterprise fund. The report shows that ATC had operating revenues of \$452,496 in fiscal year 1985, its first full year of operation. Operating expenses were \$1,338,798 plus \$75,133 interest on an equipment note, which note was due in January 1985 in the amount of \$2,383,448 and was paid in full.

ATC's expenses in excess of revenues are met by direct subsidy from the City's general fund. Thus, we examined the combined statement of financial condition, operating statement, and statement of changes in financial position for both the City and the enterprise fund (ATC).

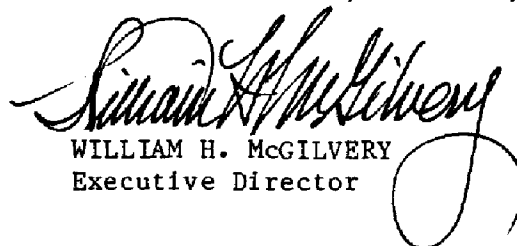
Having reviewed these statements we conclude that ATC can be approved for \$25,000 self-insurance retention, as requested, because it is backed by the full faith and credit of its sole owner, the City of Alexandria. In this regard we note that the Commonwealth of Virginia Department of Motor Vehicles has approved ATC as a self-insurer for DMV's current requirement of \$50,000 bodily injury/death plus \$10,000 property damage per occurrence.

As part of its application, ATC has filed an insurance certificate showing coverage of \$4,975,000 bodily injury and property damage combined per occurrence in excess of \$25,000 bodily injury and property damage combined per occurrence self-insurance retention. With approval of \$25,000 self-insurance retention, ATC will be in compliance with the Commission's insurance requirements.

THEREFORE, IT IS ORDERED:

1. That Alexandria Transit Company is hereby approved for self-insurance retention in the amount of \$25,000 combined single limit for all personal injuries, deaths, and property damage resulting from one occurrence.
2. That the investigation of Alexandria Transit Company in Case No. MP-86-02 is hereby terminated.
3. That the suspension of Certificate of Public Convenience and Necessity No. 119 effected by Order No. 2846, served April 11, 1986, is hereby lifted.
4. That Alexandria Transit Company is hereby excused from the further requirements of said Order No. 2846.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS WORTHY, SCHIFTER, AND SHANNON:

  
WILLIAM H. MCGILVERY  
Executive Director