

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, DC

ORDER NO. 7376

IN THE MATTER OF:

Served August 27, 2003

Petition of EARLY, CASSIDY &)
SCHILLING, INC., for Commission)
Reauthorization of Insurance)
Filings)

Case No. MP-2003-88

This matter is before the Commission on the petition of Early, Cassidy & Schilling, Inc., (Early Cassidy), for reauthorization to sign and file the Commission's insurance form.

Commission Regulation No. 58 specifies the minimum insurance requirements for WMATC carriers and requires each WMATC carrier to maintain on file with the Commission at all times proof of coverage in the form of a WMATC Certificate of Insurance and Policy Endorsement (WMATC Insurance Endorsement) for each policy comprising the minimum. The regulation does not specify who may execute the Commission's form, but the terms of the form itself permit issuance by a company representative or authorized agent.

The Commission at one time accepted WMATC Insurance Endorsements executed by Early Cassidy but discontinued that practice in June 2001 after Early Cassidy repudiated a previously filed Endorsement by attempting to cancel it retroactively. The cancellation notice explained that coverage had been terminated for non-payment of premium after the insured breached a premium finance agreement. The finance agreement provided for ten days' advance notice of cancellation notwithstanding that the Endorsement required thirty, and despite both of these advance notice requirements, Early Cassidy sought to cancel coverage retroactively. The Commission subsequently revoked all Endorsements signed by Early Cassidy.¹

Soon thereafter, Early Cassidy filed a petition for relief acknowledging the conflict between the 10-day notice provision in the finance agreement and the 30-day notice requirement in the WMATC Insurance Endorsement but assuring the Commission that in the future, the finance agreement cancellation power would only be exercised on thirty day's notice in the case of a WMATC carrier. The Commission rejected Early Cassidy's proposed solution as leaving the public dependent on Early Cassidy personnel knowing and remembering when to require thirty-days' notice. The Commission did not believe that this would adequately protect the public.²

¹ In re Epps Transp. Co., Inc., No. MP-01-44, Order No. 6249 (June 12, 2001).

² In re Epps Transp. Co., Inc., No. MP-01-44, Order No. 6375 (Oct. 3, 2001).

The Commission also noted that Early Cassidy's petition might have been more convincing if it had been supported by a retraction of the repudiation or an acknowledgement from the insurance company that it was bound for thirty days from the date the Commission received written notice of cancellation.³

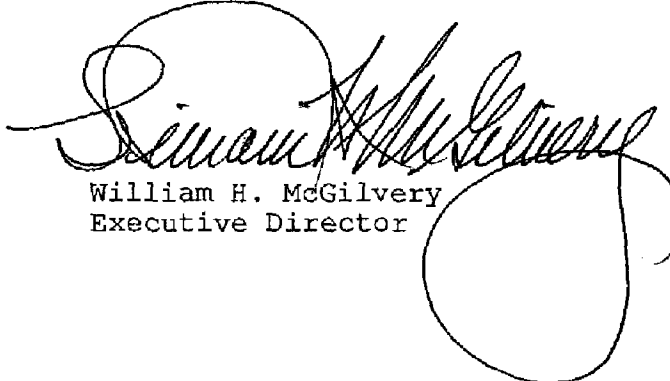
The current petition urges the Commission to accept WMATC Insurance Endorsements from Early Cassidy again but proposes that only certain specified senior personnel would be empowered to execute a WMATC Insurance Endorsement, namely Andrew G. Cassidy and Larry G. Jagers, executive vice president and senior producer, respectively. Cassidy and Jagers assure the Commission that before signing any WMATC Insurance Endorsement, they will "ensure that no power of attorney or endorsement has been issued, or will be issued, that authorizes, or purports to authorize, cancellation of the underlying policy on less than thirty days' notice."

The current petition is supported by written acknowledgment from Travelers Insurance Company that the WMATC Insurance Endorsement "requires the policy to have a thirty-day notice of cancellation, which runs from the date the Commission receives notice in writing." Cassidy and Jagers are confirmed as "authorized to sign the WMATC Endorsement on behalf of Travelers Insurance Company."

Under the circumstances, we believe it would be appropriate to grant the petition. Only the two senior personnel named in the petition will have authority to sign WMATC Insurance Endorsements, and each has pledged not to sign any WMATC Insurance Endorsement where a conflicting power of attorney or endorsement has been issued, or will be issued. Further, Travelers Insurance Company acknowledges that under any WMATC Insurance Endorsement signed by Cassidy or Jagers on its behalf, it is bound for thirty days from the date the Commission receives written notice of cancellation. Accordingly, we will recognize Cassidy and Jagers as agents of Travelers Insurance Company for the purpose of executing and filing WMATC Insurance Endorsements.

THEREFORE, IT IS ORDERED, that unless and until otherwise ordered, the Commission shall accept WMATC Insurance Endorsements signed by either Andrew G. Cassidy or Larry G. Jagers while employed by Early, Cassidy & Schilling, Inc., as agents for Travelers Insurance Company.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS YATES, MILLER, AND MCDONALD:


William H. McGilvery
Executive Director

³ Id.