

CHAPTER 1025. INSURANCE REQUIRED

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Cross References

This chapter cited in 52 Pa. Code § 1017.6 (relating to required documents); 52 Pa. Code § 1017.42 (relating to prerequisites to inspection); and 52 Pa. Code § 1065.1 (relating to limousine insurance).

§ 1025.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Form E—The standard form filed by a regulated party’s insurer evidencing the existence of a current and valid insurance policy or surety bond in the name of the insured and for lines of coverage and with limits required by the Authority.

Form K—The standard form filed by a regulated party’s insurer providing notice of cancellation of an insurance policy or surety bond previously maintained to be in compliance with the act, this part or an order of the Authority.

Self-insurer—A certificate holder that adjusts and is ultimately liable for payment of all or part of its bodily injury, property or cargo damage claims resulting from the operation, maintenance or use of a motor vehicle as a taxicab.

§ 1025.2. Insurance forms and procedures.**(a) Forms of notice.**

(1) Endorsements for policies of insurance and surety bonds, certificates of insurance or for approval of other securities or agreements shall be made through Form E.

(2) Notices of cancellation for policies of insurance, surety bonds, certificates of insurance and self-insurer status shall be made through Form K.

(3) Each provider of insurance and surety bonds shall complete and file the Authority’s Form INS-1 “Contact Information” upon the first filing of a Form E in each calendar year and at any time during the year when the contact information provided will change. A copy of the Form INS-1 is available on the Authority’s web site at www.philapark.org/tld.

(b) Surety bonds and certificates in effect continuously. Surety bonds and certificates of insurance must specify that coverage will remain in effect continuously until terminated, except under one of the following conditions:

(1) When filed expressly to fill prior gaps or lapses in coverage or to cover grants of emergency temporary authority of unusually short duration and the filing clearly so indicates.

(2) Urgent circumstances, when special permission is obtained from the Authority.

(c) *Filing and copies.*

(1) Certificates of insurance, surety bonds and notices of cancellation required by subsection (a) must be filed with the Director by email at eksubmission@philapark.org.

(2) The Authority will provide prompt notice of acceptance of filings required by this section by return email message.

(d) *Name of insured.* Certificates of insurance and surety bonds shall be issued in the full and correct name of the regulated party to whom the certificate, registration, or license or other right is, or is to be issued. In the case of a partnership, all partners shall be named.

(e) *Cancellation notice.* Except as provided in subsection (f), surety bonds, certificates of insurance and other securities or agreements may not be cancelled or withdrawn until after 30 days notice in writing has been issued by the insurance company, surety, motor carrier, broker or other party, to the Director. The period of 30 days begins from the date the Director provides notice of acceptance as provided in subsection (c)(2).

(f) *Termination by replacement.* Certificates of insurance and surety bonds which have been accepted by the Authority under this chapter may be replaced by other certificates of insurance, surety bonds or other security, and the liability of the retiring insurer or surety under the certificates of insurance or surety bonds shall be considered as having terminated as of the effective date of the replacement certificate of insurance, surety bond or other security, if the replacement certificate, bond or other security is acceptable to the Authority under this chapter.

(g) *Refusal to accept or revocation by the Authority of surety bonds.* The Authority may refuse to accept or may revoke its acceptance of a surety bond, certificate of insurance or other securities or agreements if, in its judgment, the security does not comply with this subchapter or fails to provide satisfactory or adequate protection for the public. Revocation of acceptance of a certificate of insurance, surety bond or other security does not relieve the regulated party from compliance with this subchapter.

(h) *Compliance.* Failure to maintain evidence of insurance on file with the Authority in accordance with this chapter may cause the rights and privileges issued to the regulated party to be placed out of service immediately as provided in § 1003.32 (relating to out of service designation). The Authority may establish rules under which suspended rights and privileges may be temporarily reinstated pending compliance with this subpart.

Cross References

This section cited in 52 Pa. Code § 1029.11 (relating to professional liability insurance).

§ 1025.3. Insurance required.

(a) A regulated party may not engage in taxicab service and the certificate of public convenience will not be issued or remain in force, except as provided in § 1025.4 (relating to applications to self-insure) until there has been filed with and approved by the Authority a certificate of insurance by an insurer authorized to do business in this Commonwealth, to provide for the payment of valid accident claims against the insured for bodily injury to or the death of a person, or the loss of or damage to property of others resulting from the operation, maintenance or use of a taxicab in the insured authorized service.

(b) The liability insurance maintained by a taxicab certificate holder must conform to 75 Pa.C.S. Chapter 17 (relating to Motor Vehicle Financial Responsibility Law). First party coverage of the taxicab driver of taxicabs must meet the requirements in 75 Pa.C.S. § 1711 (relating to required benefits).

(c) The certificate holder's loss history with a current or former insurer shall be released to the Authority within 3 business days of a request by the Authority. The certificate holder shall authorize any release required by the insurer to facilitate the timely delivery of the loss history to the Authority.

(d) The Authority may direct insurers to file proof of insurance both electronically and in hard copy.

(e) The limits in subsection (b) do not include the insurance of cargo.

Cross References

This section cited in 52 Pa. Code § 1065.1 (relating to limousine insurance).

§ 1025.4. Applications to self-insure.

(a) A taxicab or limousine certificate holder may file an application with the Authority to act as self-insurer of all or part of its bodily injury, property damage or cargo damage claims. In support of its application, the applicant shall submit a true and accurate statement of its financial condition which establishes its capability to satisfy its insurance obligations as they become due, a self-insurance plan which includes adequate security to protect the public and a description of its safety program including its past accident record. A self-insurance applicant shall agree in the application to grant the Authority power to rescind approval of self-insurer status, without hearing, if the Authority determines that the public interest demands it.

(b) In reviewing self-insurance applications, the Authority will examine the following factors in determining whether approval will be granted:

(1) The net worth of the certificate holder in relationship to the size of its operation and the nature and extent of its request for self-insurer status. The

evidence must demonstrate the certificate holder's financial capability to adjust and pay insurance obligations as they become due before approval will be granted.

(2) The organization of the certificate holder's proposed self-insurance program including the adequacy of security to protect the public. Security may be in the form, but is not limited to, one or more of the following:

- (i) Reserves.
- (ii) Sinking funds.
- (iii) Third party financial guarantees.
- (iv) Parent company or affiliate sureties.
- (v) Excess insurance coverage.
- (vi) Other similar arrangements.

(3) The effectiveness of the certificate holder's safety program. The Authority will look closely at the average number and average cost of accident losses over the past three years in determining whether self-insurance is feasible.

(c) Authority approval of a self-insurance application may be made conditional on revisions in the applicant's proposed self-insurance plan, safety program or standards for adjustment and payment of claims, as well as requirements of periodic financial filings with the Authority.

(d) Authority approval of self-insurance status is subject to the issuance of a self-insurance certificate to the motor carrier by the Department of Transportation as required under 67 Pa. Code § 223.5 (relating to certificate) for vehicles registered in this Commonwealth.

Cross References

This section cited in 52 Pa. Code § 1025.3 (relating to insurance required); and 52 Pa. Code § 1065.1 (relating to limousine insurance).

§ 1025.5. Standards for adjustment and payment of claims.

Common carriers by motor vehicle, who are responsible to the public for adjustment or payment of bodily injury, property damage or cargo damage claims, or both, are prohibited from:

- (1) Misrepresenting pertinent facts relating to claims at issue.
- (2) Failing to acknowledge and act promptly upon written or oral communications with respect to insurance claims.
- (3) Failing to adopt and implement reasonable standards for the prompt investigation of claims.
- (4) Refusing to pay claims without conducting a reasonable investigation based upon available information.
- (5) Failing to affirm or deny responsibility for claims within a reasonable time after proof of loss statements have been completed and communicated to the carrier or its representative.

(6) Not attempting in good faith to effectuate prompt, fair and equitable settlements of claims in which the carrier's liability has become reasonably clear.

(7) Compelling persons to institute litigation to recover amounts due by offering substantially less than the amounts due and ultimately recovered in actions brought by those persons.

(8) Making claim payments to claimants not accompanied by a statement defining which payments are being made.

(9) Making known to claimants a policy of appealing from arbitration awards in favor of claimants to induce or compel them to accept settlements or compromises less than the amount awarded in arbitration.

(10) Delaying the investigation or payment of claims by requiring a physician to submit a preliminary claim report and then requiring the subsequent submission of formal proof of loss forms, both of which submissions contain substantially the same information.

(11) Failing to promptly provide a reasonable explanation in relation to the facts or applicable law for denial of a claim or for the offer of a compromise settlement.

§ 1025.6. Additional requirements.

(a) Providers of policies of insurance and surety bonds shall summarize as a separate attachment from its policy any and all deviations of the policy from the standard ISO form. The insurer shall have the insured sign the attachment to the policy.

(b) If a provider of a policy of insurance or surety bond is a surplus lines carrier, a Form 1609-PR of the Insurance Department shall be submitted along with the Form E. The Authority reserves the right to have surplus line carriers demonstrate denial of coverage from insurance carriers that the Authority may be aware is providing admitted coverage, if any.

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