

**COMMENTS OF THE INDEPENDENT REGULATORY REVIEW COMMISSION**

**ON**

**PENNSYLVANIA PUBLIC UTILITY COMMISSION REGULATION #57-189**

**PASSENGER CARRIER INSURANCE**

**AUGUST 7, 1998**

We have reviewed this proposed regulation from the Pennsylvania Public Utility Commission (PUC) and submit for your consideration the following objections and recommendations. Subsections 5.1(h) and 5.1(i) of the Regulatory Review Act (71 P.S. § 745.5a(h) and (i)) specify the criteria the Commission must employ to determine whether a regulation is in the public interest. In applying these criteria, our Comments address issues that relate to reasonableness and clarity. We recommend that these Comments be carefully considered as you prepare the final-form regulation.

**1. Section 32.11(b). Passenger carrier insurance. – Reasonableness and Clarity.**

The proposed regulation is intended to formalize a Statement of Policy published February 25, 1995, interpreting the minimum insurance requirements for passenger carriers transporting fewer than 16 passengers. Existing language at Section 32.11(b) states the insurance shall be maintained in an amount not less than \$35,000 to cover liability for bodily injury, death or property damage incurred in an accident arising from authorized service. Clarifying language added states the \$35,000 minimum coverage is split coverage in the amounts of \$15,000 bodily injury per person, \$30,000 bodily injury per accident and \$5,000 property damage per accident.

It is appropriate that the Statement of Policy published by the PUC clarifying split coverage be incorporated into its regulations. However, in our review of this proposal, we noted that the coverage may be inadequate when considering that coverage of the split minimum could conceivably need to provide coverage for up to 15 passengers. We suggest the PUC review the reasonableness and adequacy of the coverage specified in Section 32.11(b), considering the number of individuals who could be impacted. If as a result of the review the PUC determines it appropriate, we further suggest the PUC consider addressing the matter in a future rulemaking.

Additionally, we have identified the following clarity concern. The first sentence of Section 32.11(b) makes reference to "liability insurance maintained by a common carrier of passengers." The existing text in the Pa. Code at Section 32.11(b) references "liability insurance maintained by a common *or contract* carrier of passengers." The omission appears to be a typographical error which should be corrected when the final-form rulemaking is submitted.