

# **ATTACHMENT 2**

Good afternoon. I am Larry Silva, President of Yellow-Checker Cab of San Jose, and I am here on behalf of my company and the Taxicab Paratransit Association of California.

Last week's announcement by the TNCs about their minor adjustments to their insurance taught us 4 things about their coverage.

1. It is an indisputable fact that their cars are on the road without any insurance at all for part of the driver's workday in clear violation of California law. There have been many arrests of TNC drivers for picking up cash, off-line street hails. If the public is to be fully protected, their insurance must cover this reality.

2. It is an indisputable fact that their vehicles are seriously underinsured for a sizable portion of the driver's workday. There's a requirement for \$1 million of insurance but they only provide \$50,000 while the drivers are driving around looking for fares. To put this into perspective, had this coverage existed — and it did not — Sophia Liu's family would be entitled to ... little more than the cost of the burial and a car ... in exchange for their 6 year-old daughter.

3. The coverage that the TNCs have been hiding from public scrutiny has now been exposed as a cynical corporate shell game trick that fails to protect the safety of the public. It's obvious that their intent is to pay NOTHING on any claim, if they can use the policy language to dispute coverage and get away with it.

And 4. The TNCs have been systematically misleading the public about the nature and scope of their coverage.

Now, turning to the questions, you have asked,

Taxicab companies pay anywhere from \$4,000 to over \$10,000 per vehicle per year to cover their vehicles on a 24/7 basis with Primary Commercial Auto Liability Insurance. This coverage applies to the vehicle at all times for all uses, regardless of whether the vehicle is being used for personal purposes. There is no need for a hybrid insurance product with taxis and TCPs. The public is fully protected at all times with Primary Commercial Auto Liability Insurance. For most companies the cost of insurance represents 30% to 40% or more of our cost structure.

The insurance requirements for taxis are set by local governments and vary from \$300,000 to \$2 million. The PUC sets TCP insurance limits at \$750,000.

Last week the City of Chicago subpoenaed the TNCs' insurance policies. The PUC should have done this long ago, but since it has not, this Department should immediately subpoena the TNC insurance policies for a complete examination of how narrow their coverage really is.

Thank you for the opportunity to speak today. I am available to answer any questions you might have.