



# WISCONSIN LEGISLATURE

P.O. Box 7882 • Madison, WI 53707-7882

Testimony in Support of Assembly Bill 546  
Representative Mary Felzkowski and Senator Jerry Petrowski  
Assembly Committee on Transportation  
October 24, 2017

Good afternoon members, and thank you for the opportunity to testify in favor of Assembly Bill 546.

Under both state statute and administrative code, Wisconsin currently requires that passenger carriers maintain minimum insurance coverage and file proof of that insurance with the Department of Transportation (DOT) as a prerequisite for vehicle registration. The minimum requirements are generally those specified under federal law (currently between \$300,000 and \$5,000,000) with some exceptions.

In 2016, DOT was made aware that the lower insurance minimums dictated by the administrative code were not consistent with the requirements in statute. The department announced a change to raise the minimum requirements in May 2016.

The prior minimum requirements were:

PASSENGER CAPACITY	ONE PASSENGER	ALL PASSENGERS	PROPERTY DAMAGE
7 or less	\$100,000	\$300,000	\$50,000
8 to 12	\$100,000	\$350,000	\$50,000
13 to 20	\$100,000	\$400,000	\$50,000
21 to 30	\$100,000	\$450,000	\$50,000
31 and over	\$100,000	\$500,000	\$50,000

The new current minimum requirements are:

SEATING CAPACITY	
15 or less, including driver	\$1,500,000 combined single limit
16 or more, including driver	\$5,000,000 combined single limit
Regardless of seating, vehicles weighing 10,000 lbs. or less	\$300,000

We believe that these new minimum insurance requirements place a substantially greater burden on passenger carrier businesses operating in this state. Unfortunately, related laws in other states are not consistent, with minimum requirements ranging from \$60,000 to \$5,000,000 depending on the location and seating capacity of the vehicle.

Due to the increase in limits, the cost of insurance has increased dramatically for those in possession of these vehicles. Many businesses such as bars, restaurants, churches, and limousine

companies have been adversely affected by this inadvertent law change. In Northern Wisconsin, like in the 35<sup>th</sup> district, there is no access to companies like Lyft or Uber. Because of this, motor carriers affected by this law are often the best choice for safe travel to and from parties, weddings, and other events. The newly enforced liability requirements have made insurance unaffordable and have forced some businesses to significantly increase their prices, no longer offer transportation services, or to close completely. These outcomes will severely affect availability in the North.

To remedy this situation, while ensuring a sufficient amount of coverage, we have worked with stakeholders to find a suitable middle ground with the following minimum requirements for intrastate travel:

<b>SEATING CAPACITY</b>	
15 or less, including driver	\$500,000 combined single limit
16 or more, including driver	\$1,000,000 combined single limit

It was never the intent of the original legislation to increase the minimum insurance limits on these types of companies. This proposed change reflects a compromise between the previous limits and the current limits in place to make insurance more affordable.

Thank you again for allowing us the opportunity to testify in support of this bill, and we would welcome any questions.



# Wisconsin Motorcoach Association

*A Division of the Wisconsin Motor Carriers Association*  
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**IMMEDIATE PAST CHAIR**  
Tom Dieckelman  
Wisconsin Coach Lines

**ADMINISTRATOR**  
Dan Johnson

## **Testimony on Assembly Bill 546**

**Insurance requirements for intrastate motor carriers of passengers**  
**Assembly Transportation Public Hearing - October 24, 2017**

My name is Dan Johnson, Vice President for the Wisconsin Motor Carriers Association (WMCA) and Division Administrator for the Wisconsin Motorcoach Association, a division of the WMCA. I am here to share comments of the Board of Directors of the Wisconsin Motorcoach Association and their opposition to Assembly Bill 546.

The Wisconsin Motorcoach Association is the trade association for private over-the-road bus and motorcoach operators who are domiciled in or have significant operations in Wisconsin. The Association was established in 1987 and its members consist of many of the major coach, bus and other transportation services provided to the public throughout Wisconsin and the Midwest.

Wisconsin adopted the federal minimum insurance requirements for intrastate carriers on October 1, 1982. The requirements of \$1,500,000 for vehicles transporting up to 15 passengers and \$5,000,000 for vehicles transporting 16 passengers or more have been in place since November 19, 1985. These amounts are nearly identical - if not identical - to the amounts in our neighboring states, such as Minnesota, Iowa, Indiana, Michigan, and Ohio. Assembly Bill 546 seeks to decrease those amounts for intrastate only vehicles to \$500,000 and \$1,000,000, respectively.

The Wisconsin Motorcoach Association opposes the decrease in the minimum insurance requirements, as it may open the door to less than well-established operators who, at times, may not adhere to or be aware of the many necessary safety and liability regulations currently in place for transporting a group of individuals. Many of our members operate both large and small vehicles under the present limits while insuring our industry continues to provide the safest transportation environment possible for the public. The Wisconsin Motorcoach Association believes the current rates establish a higher standard of compliance of such regulations and perhaps provide a sense of security to their passengers who place their trust in them to transport them safely from point A to point B.

While the Association appreciates and respects the intent of the authors and co-sponsors of Assembly Bill 546, we can not support the legislation at this time.

Respectfully submitted,

**Dan Johnson**

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