

INTERAGENCY COMMITTEE ON TRANSIT COORDINATION

August 28, 2007

Hiway Federal Credit Union Administration Building

Meeting Notes

Members Present

Committee Chair – Tim Henkel, Mn/DOT
Bob Fischer, MN Department of Education
Gerri Sutton, Metropolitan Council
Brian Osberg, MN Department of Human Services
Robert Johns, University of Minnesota
Mary Koep, MN Board on Aging
Joan Willshire, MN State Council on Disabilities

Members Absent

Margaret Kelly, MN Department of Health
Bonnie Elsey, MN DEED

Guests

Lee Spelbrink, Department of Commerce
Tom Baker, Department of Commerce

Others

Doug Benson, MN Department of Health
Jackie Peichel, MN Board on Aging/Department of Human Services
Judy Ellison, Mn/DOT, Office of Transit
Noel Shughart, Mn/DOT, Office of Transit
Diane Contreras, Mn/DOT, Office of Transit

Welcome, Introductions

Tim welcomed everyone to the meeting and asked them to introduce themselves and the organization they represent.

Commerce Department Presentation

Noel noted that he has been meeting with representatives from the Commerce Department to learn about insurance, and invited them here today to present what they do, how they can help us, and provide some possible

solutions to the insurance issue. He introduced Tom Baker and Lee Spelbrink from the Department of Commerce.

Tom Baker explained that states have primary control over the business of insurance since Congress enacted the McCarran-Ferguson Act in 1945. In Minnesota, the Property and Casualty Division of the Department of Commerce reviews Insurance Companies policies to make sure they are in compliance with the State of Minnesota regulations. They receive approximately 600 proposals a year from insurance companies that deal with auto liability insurance.

An example of how the Commerce Commission can help the ICTC is by the handout they received today updating the Volunteer Driver brochure put together by the Department of Volunteer Services. Since the Department of Volunteer Service no longer exists, the Office of Transit and Board on Aging are moving ahead to update the document. The Commerce Department has updated the technical information regarding insurance and will be considering becoming a partner to assist in publishing this brochure.

Tom reported that there are several options the ICTC could consider to resolve insurance issues:

- ⌘ Contact the insurance industry to learn what insurance companies are willing to underwrite. The group could check with the Minnesota Insurance Federation, an organization representing the Minnesota's insurance companies.
- ⌘ Apply for self insurance; several state departments and governmental agencies currently do this.
- ⌘ If a group has 100 members, they can apply to be a reciprocal insurance company. This type of structure is used by the Minnesota Automobile Dealers.
- ⌘ Become owners of a self-insurance company, however, there are certain draw backs in terms of asset protection.
- ⌘ Co-mingling of private and public entities. Work with a large insurance company to undertake this type of insurance. This is similar to the proposal put forth by the Community Transportation Mutual Insurance Company.

When asked what would be the best route to go, Tom Baker suggested going the insurance route with a standard carrier. Using an insurance “captive” would be the most economical way to go, but it may be hard to get off the ground. Organization’s rates would be based proportionally on the number of vehicles they have and would be determined by an actuary. After the year was up and depending on the number of claims, the organization could receive a prorated refund, depending on the loss history.

Noel distributed an information flyer he brought back from the State Public Transit Partnership/FTA meeting he attended earlier in the month. The flyer announces that CTAA has established a member-governed, nationwide Community Transportation Mutual Insurance Company (CTMIC) with Pacific Shore Insurance Services, Inc. By having a member-governed company providing insurance coverage the coordination barrier to preventing the sharing of vehicles and passenger can be reduced.

Lee Spelbrink then gave an overview about life/health insurance. Because of State regulations, it is very difficult to mix auto insurance with other insurances under a single policy. Each insurance component must be evaluated and authorized separately by the State.

With all of the discussion revolving around insurance, Noel recommended that committee members and stakeholders convene to talk about insurance issues; hopefully this meeting will help get movement moving. Noel will work with the Center for Transportation Studies to develop a time frame for this meeting. He will present a planning outline at the next ICTC meeting.

Insurance Letter to CCAM

Noel reported that at a recent State Public Transit Partnerships/FTA conference, Representatives from the U.S. Department of Human Services, U.S. DOT, Federal Transit Administration, Veterans Affairs and others outlined the collective work they had been doing on the Coordinating Council on Access and Mobility and their involvement in United We Ride. One subcommittee of the Coordinating Council is working on the issue of vehicle sharing. The committee chairperson was not aware of the issues regarding vehicle insurance and requested that state agencies inform the committee so that actions can be taken.

Noel recommended that a letter be prepared with the help of the Department of Commerce for member review at the next meeting.

Coordination Website Update

Noel reported that a contract has been approved for the Center for Transportation Research to develop the Coordination website. Samples pages should be available for review at the next meeting.

Member Agency Reports on Transportation

Bob Johns, University of Minnesota, reported that he will attend the Community Transportation Executive Committee meeting on August 30, 2007. Presentations will be heard from DARTS and the U of M on “Community Mobility and the Older Drivers”. Noel will also update attendees on the work of the ICTC.

Gerri Sutton, Metropolitan Council, reported that the Council received \$5 million from FTA to respond to transportation issue resulting from the bridge collapse. The money will be used to purchase buses, hire drivers and other additional services.

Bob Fischer, MN Department of Education, noted that school starts new week. School busing in southeast Minnesota will be a challenge and the cost of busing will increase due to washed out roads.

Joan Willshire, MN State Council on Disabilities, reported that the outline for the November 7, 2007, Transportation Conference is just about ready. She invited members of ICTC to attend.

Brian Osberg, MN Department of Human Services, reported that they are actively working to resolve the Legislatures concern about the MNET Brokerage Program.

Mary Koep, MN Board on Aging, reported that she’s new to the group and enjoyed the presentation by today’s speakers.

Next Meeting Date

The next meeting date for the Interagency Committee on Transit Coordination will be held on:

September 25, 2007

2 to 4 p.m.

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