

STATE OF CONNECTICUT
DEPARTMENT OF TRANSPORTATION



2800 BERLIN TURNPIKE, P.O. BOX 317546
NEWINGTON, CONNECTICUT 06131-7546

Phone:

DOCKET NO. 0908-SI-63-B

RE: PETITION OF ACADEMY EXPRESS, LLC TO CEASE SELF-INSURANCE
GRANTED BY THE DEPARTMENT ON MARCH 15, 2010.

DECISION

NOVEMBER 8, 2018

I. INTRODUCTION

A. PETITIONER'S PROPOSAL

By letter dated on October 1, 2018, to the Department of Transportation (hereinafter "department"), Academy Express, LLC. (hereinafter "petitioner"), seeks authorization to discontinue self-insurance granted by the department on March 15, 2010.

B. HEARING HELD

Pursuant to Section 14-29 of the Connecticut General Statutes, this petition was assigned for a public hearing which was held at the administrative offices of the department in Newington, Connecticut on November 6, 2018.

Notice of the application and of the hearing to be held thereon was given to the petitioner and to such other parties as deemed necessary by the department as required by Connecticut General Statutes Section 14-29. Legal notice to the public was given by publication on the Department of Transportation's website.

C. APPEARANCES

Doug Levine, Corporate Claims Manager for Academy Express, LLC appeared on behalf of the petitioner. The petitioner was represented by Robert B. Yules, Esq. of Yules & Yules, LLC, P.O. Box 5140, 275 Post Road East, Suite 10, Westport, CT 06881.

II. FINDINGS OF FACT

1. The petitioner has applied to remove the self-insurance granted to it by the department on March 15, 2010. (Applicant's Exhibit #1)
2. The petitioner has at all times maintained a fund with \$300,000 to satisfy the self-insurance requirement imposed by the 2010 decision. (Applicant's Exhibit #2)
3. The petitioner has maintained a \$5 million dollar insurance policy with National Union Fire Insurance Company of Pittsburgh, which has a \$500,000 deductible, since March 1, 2018. This insurance policy runs until March 1, 2019. (Applicant's Exhibit #3).
4. The petitioner has additional insurance policies in place. (Applicant's Exhibit # 4)
5. At the current time, the petitioner has only one active claim against it for a motor vehicle accident on May 16, 2017. (Galbaud v. Imbrogno). The complaint in this matter was filed in court on September 7, 2018. (Applicant's Exhibit 10)
6. The petitioners third party claims adjuster, Sedgwick, values the petitioner's potential losses due to that lawsuit at \$16,123.95.

7. The petitioner is agreeable to maintaining a reserve of \$32,000 which will cover liability due to the Galbaud claim.

8. It is more economical for the petitioner to not be self-insured since the insurance premiums are now lower than before.

III. DEPARTMENT ANALYSIS

The Department has jurisdiction over motor bus operators in charter bus service pursuant to Connecticut General Statute's Section 13b-94a. Connecticut General Statutes Section 14-29(a) provides that a vehicle owner or lessee holding a certificate of public convenience and necessity from the Department of Transportation shall maintain insurance or indemnity against claims for personal injury or death of any person or property damage caused by the operation of said vehicle except for when the owner of the motor vehicle holds a certificate of public convenience and necessity and the department has found that such owner or lessee has sufficient financial responsibility to meet the legal liability for personal injury, death or property damage resulting from or caused by the use or operation of such motor vehicle. As a result of a hearing in 2010, the department allowed the petitioner to self-insure.

The petitioner has found over time that it is more economical to stop being self-insured and obtain an insurance policy with National Union Fire Insurance Company of Pittsburgh. This is a 5 million dollar policy with a \$500,000 deductible. This policy has been in effect since March 1, 2018 and will run until March 1, 2019. The petitioner also has multiple additional insurance policies.

There is currently only one insurance claim pending against the petitioner from a 2017 accident. This claim has been evaluated by a third party claims adjuster to be valued at \$16,123.95. The petitioner has offered to maintain in an account with \$32,000 in reserve to satisfy the claim.

Based on the evidence presented, the petition to remove the self-insurance is granted with the proviso that the petitioner will maintain a separate account with a \$32,000 balance to resolve the ongoing court action.

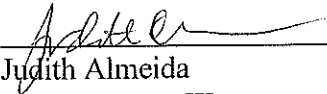
IV. ORDER

Based upon the above and pursuant to the authority granted under Connecticut General Statutes Section 14-29, as amended, the petitioner's application to remove its self-insurance is hereby approved with the requirement that the petitioner maintain a bank account with a balance of \$32,000 to handle the disposition of the Galbaud claim. Once the final disposition of the Galbaud matter has

been made, the petitioner can close out that account and disperse any unspent funds.

Dated at Newington, Connecticut on the 8th day of November 2018.

CONNECTICUT DEPARTMENT OF TRANSPORTATION



Judith Almeida
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Bureau of Finance and Administration