



STATE OF WISCONSIN

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY


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IN THE MATTER OF THE ADOPTION OF :  
RULES AFFECTING CHAPTER MVD 2, :  
WIS. ADMIN. CODE, RELATING TO : ORDER ADOPTING  
MINIMUM LIABILITY SECURITY RE- : RULES  
QUIREMENTS FOR TAXICABS OPERATING :  
UNDER MOTOR CARRIER CERTIFICATES :  
OF AUTHORITY UNDER CHAPTER 194, :  
STATS. :

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Pursuant to authority vested in the Department of Transportation by section 194.41(4) and 110.06, Wis. Stats., the Secretary of Transportation hereby adopts rules in the form and manner set forth in the text annexed hereto and incorporated herein by reference.

Dated this 20th day of April, 1979 at Madison,  
Wisconsin.

  
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Lowell B. Jackson  
Secretary  
Wisconsin Department of  
Transportation

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IN THE MATTER OF THE ADOPTION :  
 OF RULES AFFECTING CHAPTER :  
 MVD 2, WIS. ADMIN. CODE, RE- :  
 LATING TO MINIMUM LIABILITY : FINAL DRAFT  
 SECURITY REQUIREMENTS FOR TAXI- : OF RULES  
 CABS OPERATING UNDER MOTOR CARRIER :  
 CERTIFICATES OF AUTHORITY UNDER :  
 CHAPTER 194, STATS. :

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Analysis By DOT-OAS

The Department of Transportation is required by sec. 194.41(4), Wis. Stats., to establish minimum limits of liability security for motor carriers operating under certificates of authority issued by the Wisconsin Transportation Commission pursuant to Chapter 194, Stats. Taxicab operators are exempt from the provisions of the rule unless they also have secured authority to carry parcels, packages and other property for hire. Taxicab passenger carrying operations are not subject to state regulation, but may be regulated and licensed by local municipal authorities. Nearly every taxicab operation in Wisconsin is subject to local regulatory authority, including local regulations establishing minimum liability security limits for bodily injury death or property damage. The local insurance coverage limits vary widely, ranging from \$100,000/300,000/50,000 in the City of Madison to \$15,000/30,000/10,000 in the City of Superior. However, in most cases, the limits set by local ordinances are substantially lower than those prescribed in the DOT rules for motor carriers of property only. (\$100,000/300,000/50,000)

This rule was first published as an emergency rule on February 23, 1979 and is effective until June 23, 1979. A hearing to consider its adoption on a permanent basis was held on April 12, 1979. The rule provides that taxicabs that are granted "for hire" (LC) permits by the Transportation Commission to carry property are required to file evidence of insurance with the DOT at the same coverage limits as prescribed in local municipal taxicab ordinances that are applicable to those taxicab operations. If no insurance limits have been established, then the minimum limits are those specified in the state's financial responsibility law. (Section 344.15, Stats., currently set at \$15,000/30,000/10,000)

At the present time all taxicab operators in Wisconsin must obtain liability insurance through an assigned risk pool; no insurance companies are willing to underwrite taxicab insurance on a voluntary basis. Taxicab insurance premiums have risen dramatically in recent years. For some operators the current premium rates are so high that they are unable to continue in business. All taxicab operators face this problem regardless of whether they are subject to the state motor carrier insurance rules. However, the reduction of the minimum liability security limits for taxicabs subject to the rule to the levels currently required under local licensing ordinances will give the taxicab industry much

needed financial relief and may assist in preventing the loss of vital taxicab services in some Wisconsin communities.

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RULE TEXT

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SECTION 1. Section MVD 2.06(1)(a) is amended to read:

MVD 2.06(1)(a) For Property property carriers other than taxicabs subject to par. (c) - for injury to or death of any one person, \$100,000; for any one accident, \$300,000; and for injury to or destruction of property, \$50,000.

SECTION 2. Section MVD 2.06(1)(c) is created to read:

MVD 2.06(1)(c) For taxicabs operating under certificates of authority issued under ch. 194, Stats. - The same minimum limits of liability security for bodily injury and property damage as are required by the local governmental taxicab licensing or regulating ordinance applicable to the particular taxicab operations filing under this chapter. No such local ordinance may establish liability security levels lower than those specified in sec. 344.15, Stats. If no minimum liability insurance limits have been established by local authorities with respect to any taxicab operation, the minimum limits of liability security shall be the same as those specified in sec. 344.15, Stats.

(End)