



Seattle



King County

Department: City of Seattle Department of Finance and Administrative Services	Rule No: FOR-HIRE TRANSPORTATION 06-2021	Supersedes: Clerk File 319803
	Publication: 8/20/2021	Effective: X/X/2021
Subject: Temporary Changes to Insurance Requirements for Taxicabs and For-Hire Vehicles	Code and Section Reference(s): SMC 6.310.140 and SMC 6.310.300.C.5 and 6	
Approved: _____ Division Director _____ Business Unit Officer _____ Calvin W. Goings, Department Director	 _____ Date _____ Date _____ Date	

King County / Department of Executive Services Document Code No.: LIC-8-6-PR Repeals: New Title: Temporary Changes to Insurance Requirements for Taxicabs and For-Hire Vehicles Effective Date: X X, 2021 Authorities: KCC 6.64.021 and KCC 6.64.350 Keywords: Sponsoring Agency: Records and Licensing Services Division (RALS)
Department Director signature: _____
Date signed: _____

City of Seattle and King County For-Hire Transportation Rules

City of Seattle Director's Rule FOR-HIRE TRANSPORTATION 06-2021 and King County Public Rule LIC-8-6-PR – Temporary Changes to Insurance Requirements for Taxicabs and For-Hire Vehicles

Pursuant to an interlocal agreement, the City of Seattle and King County work cooperatively to regulate for-hire passenger transportation. The following Rule supersedes City of Seattle Clerk File 319803. King County adopts this Rule as new.

- I. **Purpose.** The City and the County have established insurance requirements for taxicabs and for-hire vehicles. As permitted by SMC 6.310.300.C.5.a and KCC 6.64.350.A.1, this Rule amends those requirements because taxicabs and for-hire vehicles lack viable insurance options. The requirements of this Rule are temporary and will be reassessed as insurance conditions change. This Rule does not change the insurance requirements for transportation network company vehicles.

Two primary insurance companies currently serve taxicabs and for-hire vehicles operating in the Seattle area and the City and County estimate the average cost of coverage at \$500 per month. Typically, insurance represents one of the most expensive operating costs incurred by taxicab and for-hire vehicle owners. As taxicabs and for-hire vehicles resume operations following the coronavirus pandemic, the City and County intend to adjust the requirements to increase opportunities for insurance coverage.

- II. **Definitions.** The following term has the following meaning when used in this Rule:
- A. "Director" means the director of King County's Department of Executive Services and/or the City of Seattle's Director of Finance and Administrative Services, or their designees.
- III. **Requirements.** The insurance policy requirements in King County Code (KCC) 6.64.350.A.1, .2, and .4, and in Seattle Municipal Code (SMC) 6.310.300.C.5.a, .c, and .d are listed below notating whether they are temporarily amended or remain unchanged:

King County Code 6.64.350.A	Seattle Municipal Code 6.310.300.C	Temporary Changes to Insurance Requirements Enacted by this Rule
(2) The policy shall be issued by an admitted carrier in the state of Washington, with an A.M. Best Rating of not less than B VII.	(5.a) Be issued by an admitted carrier in the State of Washington with an A.M. Best's Rating of not less than B and be not less than A.M. Best's Financial Size Category VII.	Changes A.M. Best Rating for an admitted carrier in the state of Washington from B to B- (A.M. Best Financial Size Category VII) and allows for surplus lines from an insurer with an A.M. Best Rating of not less than B (A.M. Best Financial Size Category VII).
(3) King County, its officers, officials, agents and employees shall be named as an additional insured on the insurance policy.	(5.b) Name The City of Seattle as an additional insured.	None

King County Code 6.64.350.A	Seattle Municipal Code 6.310.300.C	Temporary Changes to Insurance Requirements Enacted by this Rule
(1) The policy shall also provide that the insurer notify the Director of any cancellation in writing at least thirty days before cancellation of the policy.	(5.c) Provide that the insurer will notify the Director, in writing, of any cancellation at least 30 days before that cancellation takes effect.	<p>Changes the cancellation notification period from no less than thirty (30) days for any reason to no less than ten (10) days for nonpayment and to no less than thirty (30) days for any other reason.</p> <p>If an insurance policy is cancelled, proof of a new policy must be filed before the cancellation or the taxicab or for-hire vehicle medallion is automatically suspended until coverage is secured.</p>
(4) The policy shall not include aggregate limits or named driver requirements or exclusions. Other limitations or restrictions beyond standard business insurance services office business auto policy form are subject to approval by the director.	(5.d) Not include aggregate limits, or named driver requirements or exclusions. Other limitations or restrictions beyond standard insurance services office (ISO) business auto policy form are subject to approval by the Director.	Removes the prohibition on named driver exclusions. Other limitations or restrictions beyond standard insurance services office (ISO) business auto policy form are subject to approval by the Director.
(5) All applicants shall maintain a policy of underinsured motorist coverage which runs to the benefit of passengers. The policy declarations or a certificate of insurance shall indicate a minimum coverage of one hundred thousand dollars per person and three hundred thousand dollars per accident.	(6) Include a certificate of underinsured motorist coverage indicating a minimum coverage of \$100,000 per person, and \$300,000 per accident.	None

IV. Implementation. These requirements take effect thirty (30) days after the Director files this Rule with the Seattle City Clerk and with the King County Archives, Records Management, and Mail Services Section (ARMMS).

V. Rule Maintenance. The Director will periodically consult with industry stakeholders, including vehicle owners and insurance company representatives, on the availability and cost of insurance coverage to determine whether this Rule needs revision.

- VI. Rule Enforcement.** The Director will review insurance documentation submitted by vehicle owners to ensure compliance with the requirements outlined herein.

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