

TLC Hearing – December 11, 2024  
Re Insurance Requirements & WAV Response Time

Livery Roundtable Testimony – by Dr. Avik Kabessa

Good day commissioners:

My name is Avik Kabessa, I am the CEO of Carmel, a board member of the Livery Roundtable, and the chairman of the New York State Livery Workers Compensation Fund. Thank you for allowing me to speak before you today.

**The LRT strongly supports only allowing admitted carries to provide for-hire insurance in NYC, for the following reasons:**

- Admitted Carriers Provides Consumer (and drivers) Protection. If an admitted Carrier goes out of business, the State is responsible for the claims, using the Guaranty Fund. On the other hand, if a non-admitted carrier goes out of business, claims will not be paid by the state, and the consumer will be forced to go after the driver and/or the base for payment.
- Only Admitted Carriers Contribute to the Guaranty Fund (annual 3% liability premium). Non-admitted carries do not have to pay into the guaranty fund. How can that be considered a level-playing field?
- Admitted Carrier are Regulated by NY State laws to act in the best interest of the public. No such disciplinary power exists on non-admitted carriers.

**While supporting only allowing admitted carries, we do ask for the ‘solvency’ requirement to be omitted from the proposed requirements.** The solvency of an admitted carrier is a fluid situation that is regulated by DFS. An admitted carrier becoming or is at risk of becoming insolvent, can be forced by DFS to take actions to become solvent again. This in-and-out of solvency will cause chaos to our industry whereby thousands of drivers will go out-and-in of compliance with the TLC. And, just as a side note, the fact that the DFS has the power to force an admitted carrier to course correct, but has no such power over non-admitted carriers, is another reason why non-admitted carriers should not be allowed to provide “coverage” to for-hire vehicles in NYC. From conversations with Commissioner Do on this issue, we believe the commissioner is amenable to omitting the solvency requirement from the proposed rules, and we would like to thank the commissioner for it.

We all like to pay less for insurance. I understand why non-admitted insurance carriers oppose the proposed rules. They want to bypass all regulations and offer cheap rates. I even understand why drivers may support allowing non-admitted carriers and buy cheaper insurance – who wouldn’t! But, with no regulations, no accountability, and no one to secure claims when God forbids an accident happens, cheap becomes very expensive.

Therefore, we strongly urge the commissioners to vote in favor of the proposed restrictions, after, as I said, omitting the solvency requirement.

Now to the second topic of this hearing, the proposal to increase the minimum time serving a request for WAV from 80% within 10 minutes to 90% within 10 minutes.

Given the incredible WAV service level being provided now in NYC, whereby 80% of WAV requests are answered within 10 minutes, and 90% of WAV requests are answered within 15 minutes, the LRT finds pushing it further to be an overkill that carries unintended harm to the traditional for-hire sector, without having a real need for the increase.

Carmel serves 184 cities around the US. As such, I can state here before you that nowhere else in New York State, including Long Island or Westchester, nor any other city in the US, comes anywhere close to answering a WAV request at the level it is currently being answered in NYC. In other words, we are already the shining city on the hill when it comes to for-hire WAV service.

While there is nothing wrong with wanting to push our own record, being number one already can and should allow us to consider the negative consequences such a push can cause and maybe pause for a minute.

As you know, the traditional for-hire sector is complying with the current WAV time requirement by paying an Approved WAV Dispatcher, which is owned by Uber. In other words, traditional bases pay Uber for answering WAV requests at the required minimum times. The rates a base pay are in direct correlation to the number of WAVs Uber needs to have as available on the road. Therefore, pushing the limits of the minimum response time will mean increasing the number of required WAVs on the road, and with it, increase the cost traditional bases will have to pay to comply. It is no secret that the traditional for-hire sector is in dire financial state, thus, even the slightest increase in traditional sector financial obligations will push many traditional bases out of business

Therefore, we respectfully request you vote against the proposed increase in percentage of WAV time response within 10 minutes. But, if you feel you still wish to push the envelope, we will ask you to please consider increasing the percentage from 80% to 85% as opposed to from 80% to 90%.

Thank you.

The LRT is ready to answer any question you have on these issues