

Commuter Van Association of New York, Inc.

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TESTIMONY TO JOINT COMMITTEE BUDGET HEARING

Good day Chairman Tim Kennedy, Chairman William Magnarelli, and distinguished members of this Joint Committee Hearing. My name is Hector Ricketts, and I am the President of the Commuter Van Association Of New York, Inc. which advocates for all in the commuter Van industry. I am also the President and Owner of Community Transportation Systems, Corp. one of the authorized/licensed commuter van companies in New York

On behalf of our Association (Owners, Drivers, Riders & Community Supporters) thank you for the opportunity to testify before your committee on the Plight Of The Commuter Van Industry and How your committee, All Legislators, and The **Administration** can Help This Industry with it's **Chronic, Prohibitive Insurance Crisis & It's Post Covid Challenges to Re-launch these once thriving Businesses.**

(1) The plight of our industry is embedded in the Systematic and entrenched Collusion between the Departments Of Financial Services (DFS) and the Automobile Insurance Plan Service Office. (AIPSO)

(2) Further, our challenges are compounded by the current Administration's Failure to properly recognize Our Operators, Our Riders & Our Community Supporters when it comes to **Diversity Equity & Inclusion.**

In 2004 the commuter vans faced **Exorbitant & Prohibitive Insurance Premiums.** Our exhaustive investigation and legal challenge revealed that commuter vans were inappropriately mingled with **Other Buses (BUSNOC)** to determine our rates by the DFS. In other words, commuter Vans were not been rated on their True Loss Records.

Resulting from our intent to legally challenge the DFS, in a court of law, a compromise was reached and The Commuter Van was given it's own classification, "THE COMMUTER VAN CLASSIFICATION "

For the next seven (7) years, 2004–2011 our industry saw Reasonable & Affordable Insurance Rates and the industry Flourished, providing Safe, Reliable, Affordable, van transportation to Transit Deserts citywide.

Unfortunately, after 2011 the industry began to see huge unexplained annual increases in premiums, and today the premium in the Assigned Risk is in excess of **\$40,000.00 per Van for Passenger Liability** Insurance. The Department Of Financial Services (DFS) and The Automobile Insurance Plan

Service Office have once again Mingled Our True Loss Rating with OTHER BUSES, resulting in these **Prohibitive Rates**.

(A) DFS & AIPSO have Refused to show our industry our true losses.

(B) DFS & AIPSO have failed to say who authorized the discontinuation of the use of the Commuter Van Classification.

(C) DFS stated that Commuter Van Losses are Mingled with Losses of Other Buses to help our industry because our losses are so bad.

(D) While our industry did not solicit that help from DFS, that argument is Ridiculous and Lacks Merit. Why would DFS help the Van Industry by Dumping its Bad Loss Rating on Other Buses?

(E) DFS & AIPSO Must be forced to Reinstate the Use Of The Commuter Van Classification and Retroactively Release the Commuter Vans True Losses.

(F) DFS & AIPSO must be forced to reveal how they arrived at a rate increase for commuter Van Insurance for 2024 when the industry has been largely Out Of Service For More Than 3 years. WHAT DATA DID THEY USE TO CALCULATE CURRENT RATES?

(G) DFS & AIPSO must be forced to DISCONTINUE the AUTOMATIC 10% PREMUM INCREASE WITHOUT REASON/APPROVAL.

3) On The Matter Of The Administration's Exclusion of The Commuter Van Industry, its Riders, and Our Community Supporters from **Diversity Equity & Inclusion**, contracts that should and directly benefit our communities are being Steered to special interest that have no intention of working with our community to solve our critical need.

We ask for the committee's assistance to investigate and redirect the Sustainability Pilot Project for Commuter Vans directly to the industry with the Administration handled by Rockaway Development & Revitalization Corp (RDRC) a reputable community organization.

4) Finally, we ask for this committee to work with the entire legislature and the administration to support the passage into law a **captive Insurance Program** which would benefit not only Commuter Vans, but the entire for hire Industry which is experiencing a similar Crisis.

Unfortunately, Governor Hochul, a few days ago, Vetoed **S4862 & A5294**. These bills passed both houses with overwhelming support and would have resolved the crisis, with Positive Economic & Safety impact. This again is evidence of how Diversity, Equity & Inclusion remain illusive to communities of color under this administration.

Thank you again for this opportunity to present our issues and we hope as we begin this legislative session and begin Budget negotiations, that you will hear our cries and rescue our industry.

Hector B. Ricketts

Hector B. Ricketts, BSc, MA
President