

# National Council of Insurance Legislators Annual Meeting



30 Wall Street, 10<sup>th</sup> Floor | New York, NY | 10005

Ira Goldstein, Executive Director | Berj Haroutunian, Executive Chairman

# Ira Goldstein



- **Executive Director**, The Black Car Fund
- **Executive Director**, Black Car Assistance Corporation (BCAC)
- Former **Chief of Staff**, New York City Taxi & Limousine Commission
- Received a Masters of Law from Fordham University School of Law, as well as a Juris Doctor from Touro School of Law and a Bachelor of Arts from the University of Buffalo.
- Received numerous honors throughout my career including New York City's Demonstrated Excellence in Project Management Award, for his pivotal role in the conception, creation and implementation of the TLC's Taxicab Passenger Enhancement Project, the New York State Broadcasters Association Award for Outstanding Community Service, the Simon Wiesenthal Center's First Annual 9/11 Commemoration Hero for Tolerance Award and a 50 Over 50 Award from City & State New York which recognized me as a prominent leader in government, business and media over the age of fifty.
- Mr. Goldstein has appeared and moderated numerous panels for associations such as The Transportation Alliance (formerly TLPA), the International Association of Industrial Accident Boards and Commissions (IAIABC), International Association of Transportation Regulators (IATR), and the Transportation Lawyers Association (TLA).

## WHAT IS THE BLACK CAR FUND?

- We began covering drivers with full workers' compensation on January 20, 2000 after being signed into law by former New York State Governor George Pataki in 1999.
- BCF was the Black Car Industry's direct response to the issue of providing its drivers – mainly independent contractors – with full workers' compensation coverage.
- Came as a result of years of unpredictable and highly inconsistent ALJ rulings during labor status hearings.
- Under NYS law: **all bases** which do **90% or more of their business on a non-cash basis**, and **own less than 50% of their fleet are required** to become Members of The Black Car Fund.

We now work with over 400 Member Bases  
and cover over 130,000 drivers!

## HOW DOES IT ALL WORK?

- **FULLY** passenger funded via a 2.5% passenger-paid surcharge added in addition to the fare, charged and collected by the base, and remitted to BCF on a monthly basis.
- BCF is a self-insured, self-funded, self-administered, **NON-PROFIT** insurance company.
- The BCF Board acts as a “quasi taxing authority”; BCF may change the passenger surcharge percentage at any time and for any reason, **with only 30 days of notice to the New York Secretary of State.**
- BCF has Member Bases, rather than drivers as individual Members. In order to verify driver eligibility for benefits, we use the information provided in the claim and info requested from the dispatching base to make sure the driver was injured while completing a covered job.

# WHAT DOES THE BLACK CAR FUND PROVIDE?

Other than **FULL** workers' compensation benefits, The Black Car Fund also provides its **Covered Drivers** with the following benefits:

- ***State Certified and Enhanced Defensive Driving Course***
  - Drivers may take class which satisfies local regulatory licensing requirement completely free of charge, and are even paid \$300 to complete it once every three years. Drivers may also be eligible for a 3 point reduction from the NYS DMV.
- ***BCF Wellness STEP***
  - Drivers learn wellness tips aimed at tackling issues caused by prolonged driving activity. Teaches segments on AMBER Alert response, sharing the road with bicyclists, hands-only CPR, specialty stretches to avoid muscle cramps and damage, and much, much more.
  - Drivers may take this class free of charge and are paid \$150 for completion.

# ADDITIONAL BENEFITS

- ***\$50,000 Driver Death Benefit***
  - In the event a Covered Driver passes away while on a job for a BCF Member Base, a \$50,000 lump sum payment is made to their next of kin.
- ***Telemedicine Benefit***
  - Drivers are able to consult with a board-certified physician over video chat or the phone to conduct limited initial diagnoses, follow-ups, ask medication questions, and so much more, 24/7 in over 150 languages.
- ***Optical Benefit***
  - Drivers have access to a suite of vision services which include free eye exams and a free pair of glasses or 6 months supply of contact lenses.
- ***Mental Health and Wellness***
  - The BCF recently launched a mental wellness and suicide prevention program that includes a 24/7 phone hotline, mindfulness classes, psychotherapy consultations, social work assistance, career skills classes and ESL programs

# THE ARRIVAL OF THE “GIG ECONOMY”

- BCF is and was far ahead of its time, serving as the answer to a global question no one ever knew would be asked: How do we provide massive amounts of independent contractors with portable benefits?
- As the Gig Economy continued to expand, BCF was increasingly looked at as the first successful model in the country for providing large numbers of independent contractors with benefits.
- With the Gig Economy rapidly increasing in size, there is an urgent need to provide independent contractors with benefits typically only enjoyed by traditional employees.
- Other municipalities are considering building from the BCF model

# LOOKING TO THE FUTURE

- The Gig Economy is rapidly expanding and some expect that in the coming years a majority of Americans in the workforce could be participating in it, when also counting for those who supplement their main employment with gig work.
- The BCF model exemplifies a way in which critically important benefits can be provided both affordably and in a scalable manner. In 19 years, the BCF has provided Workers' Compensation and continuously added additional benefits with only one small surcharge increase (2.5% from 2%).
- California's landmark bill, AB5, which will reclassify many independent contractors as employees, is not the only way to provide benefits to the gig economy.
- New York State is also looking at legislation, sponsored by Senator Diane Savino and Assemblymember Marcos Crespo that would reclassify gig workers as "dependent workers" a new class. Legislation being introduced next session by Senator Savino would also allow for independent contractor drivers to unionize



## THE BOTTOM LINE

- The Black Car Fund model for providing benefits **can be expanded into other jurisdictions and industries.**
- The BCF model can provide a **variety of portable benefits**, not just Workers Compensation, to independent contractors.
- It can be applied **ANYWHERE** there is an auditable revenue stream – all that is needed is a paying consumer. Can even be expanded to employers/businesses.
- In order for the model to be successful, it **MUST** be legally mandated. If it was optional, it **WOULD NOT** work.
- Can be used to provide additional benefits, beyond just the primary workers' compensation benefits.

# Thank You!

To discuss anything from this presentation, contact

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