Stronger together

What federal law actually lets separate bus companies do about commercial insurance when they band together — and the honest answer on health insurance. Every claim in this guide carries its citation, so you never have to take our word for anything.

Two questions come up over and over among owner-operators. Can we team up to get better liability insurance? And can we team up to get health insurance? The answers are different — one is a clear yes with a federal statute behind it, and one is mostly no, with a real alternative that still helps. This guide covers both, with the law quoted and linked.

WHAT IS INSIDE

PART ONE — COMMERCIAL LIABILITY: THE LAW SAYS YES

In the 1980s, small businesses across America were being priced out of liability insurance they could not legally operate without. Congress answered with the **Liability Risk Retention Act of 1986** — a federal statute, still in force today, codified at **15 U.S.C. Chapter 65** (Sections 3901 through 3906).

> **What the Act does**
>
> It creates two federal vehicles that let **separate, independent companies with similar liability risks** — like motorcoach operators — combine their buying power for liability insurance, and it blocks the states from outlawing either one. Your company stays your company: your name, your authority, your customers, your billing. Nothing about joining a group merges anybody.

Under Section 3903, a state may not adopt any law that prohibits a purchasing group from forming, prohibits an insurer from offering the group advantages based on their loss and expense experience, or imposes minimum-membership waiting periods. That is federal preemption — the strongest protection Congress can give an arrangement like this.

In the statute's own words

A **purchasing group** is defined at Section 3901(a)(5) as any group which has as one of its purposes the purchase of liability insurance on a group basis, and which purchases that insurance only for members with similar or related liability exposure. A **risk retention group**, at Section 3901(a)(4), is a corporation or limited liability association whose primary activity is assuming and spreading the liability exposure of its members — an insurer the members themselves own, chartered as such under state law.

Notice what both definitions require: **similar liability exposure**. Not the same owner, not the same company — the same kind of risk. Five hundred motorcoach operators are the textbook case of what Congress had in mind.

Verify it yourself

The statute, full text	uscode.house.gov — Title 15, Chapter 65 (Liability Risk Retention)
Purchasing groups	15 U.S.C. § 3901(a)(5) (definition) and § 3903 (state-law exemptions)
Risk retention groups	15 U.S.C. § 3901(a)(4) (definition) and § 3902 (regulation)

PART TWO — THE TWO VEHICLES, PLAINLY

The purchasing group — the practical one

A **purchasing group** is a group of businesses with similar liability exposure that buys liability insurance **together, from a regular licensed insurer**, on a group basis. No insurance company to build, no capital to raise. The group's scale and combined safety record is what earns the better terms. This is the vehicle that fits a community of motorcoach operators first, because it can start small and grow with membership.

The risk retention group — the ambitious one

A **risk retention group** goes further: the member businesses **own the insurance company** that writes their liability coverage. It is chartered and licensed in one state and may then operate in all of them. The members are the policyholders AND the owners, so underwriting discipline pays the members instead of a third party. This is not a paper idea: **OOIDA — the Owner-Operator Independent Drivers Association — runs an RRG that insures over 26,000 motor carriers.** Truck drivers built it. There is no law that says bus drivers cannot.

> **Which one for the Nation?**
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> Walk, then run. A purchasing group needs numbers and a broker; a risk retention group needs numbers, capital, a state charter, and years of discipline. The first is a realistic near-term goal as membership grows. The second is what it can grow into — the OOIDA model, for coaches. Both begin the same way: enough of us in one room.

PART THREE — WHAT IT CANNOT DO

This is the part a salesman would skip. We will not, because the whole point of the Nation is that you hear the limits from us first.

The limit	What it means for you
Liability only	The Act covers liability insurance. Physical damage to your own coach, collision, comprehensive — outside it, bought separately.
FMCSA minimums still apply	49 CFR Part 387 sets the financial-responsibility floor: $5,000,000 for coaches seating 16 or more, $1,500,000 for 15 or fewer. A group policy has to meet the same numbers and be filed the same way. Nothing about a group exempts anybody.
No health, no workers' comp	Membership in risk retention and purchasing groups is limited to liability risks. Health coverage lives under entirely different law — see Part Four.
It takes numbers	A purchasing group of nine operators has little leverage. The buying power arrives with the membership — which is exactly why the more of us there are, the stronger this gets.
Nothing here is a policy	This guide describes what the law permits. Actual coverage is arranged through licensed insurance professionals, and any group formed would follow their guidance and the law of its domicile state.

FMCSA minimums: 49 CFR § 387.33 (passenger carriers). Verify at ecfr.gov — Title 49, Part 387.

Why we list the limits at all

Because the operator who joins on an honest promise stays, and the one who joins on a stretched one leaves angry and tells ten others. The law above is strong enough without exaggeration: separate companies, one insurance table, blessed by Congress. That is the claim — no more, and no less.

PART FOUR — HEALTH INSURANCE: THE HONEST ANSWER

Here is the question everybody wants answered: if five hundred of us band together, can we get group health insurance like one big company? **For most owner-operators, under current federal law, no.** And you deserve to know exactly why, so nobody can sell you the opposite.

Why not

- ☐ A group health plan under federal law must be sponsored by an **employer** (or a bona fide association of employers acting like one). ERISA § 3(5).
- ☐ In 2018 a federal rule tried to let working owners **without employees** join association health plans. A federal court struck it down, and the Department of Labor **rescinded the rule effective July 1, 2024**.
- ☐ Under the standard now in force, a self-employed owner with no W-2 employees is **neither an employer nor an employee** for these purposes — so a website community, or even a real association, cannot sweep solo operators into one big employer plan.
- ☐ Coverage sold to association members **not related to employment** is, by regulation, **individual** coverage: 45 C.F.R. § 144.102(c).
- ☐ And pooling everyone's premiums into one fund to pay claims would create a **MEWA** (ERISA § 3(40)) — a heavily regulated arrangement with a long history of failures. We will never do that.

> **If your company has even one W-2 employee**
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> The math changes. An operator with common-law employees is a real employer, can buy small-group coverage, and could participate in a bona fide association plan that meets the Labor Department's three-part test. If that is you, say so when you talk to a broker — you have options solo owners do not.

PART FIVE — WHAT ACTUALLY WORKS

What	Why it is real
Individual Marketplace coverage + subsidies	Self-employed people buy through HealthCare.gov. Premiums are set by law — nobody can discount them — but subsidies are income-based, and a year of heavy depreciation can put an operator well into subsidy range. A good broker finding a missed subsidy beats any 'discount' anybody could promise.
A licensed broker, in your state	Advice, enrollment, consent and carrier payment all run through licensed professionals. You pay the carrier or the Marketplace directly — never an association.
Genuine group rates on everything around major medical	Dental, vision, telehealth, accident, critical illness, disability and term life CAN be offered at real association group rates — this is exactly how the American Bus Association's member health program works. For a driver, disability may matter most: you cannot drive with a broken wrist.
Education and open-enrollment reminders	Half the battle is knowing the dates and the rules. A community that explains them plainly is providing real value at zero legal risk.

The rule the Nation follows

Station Bus Nation does not sell, underwrite, administer, or sponsor health insurance. Members enroll individually and pay carriers directly, through licensed professionals or official Marketplace channels. Anything less honest than that sentence is a trap, and you should walk away from anyone who offers it — including us.

EVERY SOURCE IN ONE PLACE

Every factual claim in this guide traces to one of the sources below. If a line in here ever disagrees with the current text of the law, the law wins — and we would want to know about it.

Claim	Source
Liability Risk Retention Act	15 U.S.C. Ch. 65 — uscode.house.gov
State-law preemption for purchasing groups	15 U.S.C. § 3903
FMCSA financial responsibility minimums	49 CFR Part 387 — ecfr.gov
OOIDA risk retention group, 26,000+ carriers	riskretention.org (National Risk Retention Association)
AHP rule rescission, effective July 1, 2024	Federal Register 2024-08985; DOL EBSA fact sheet — dol.gov
Association coverage = individual coverage	45 C.F.R. § 144.102(c) — ecfr.gov
MEWA definition	ERISA § 3(40), 29 U.S.C. § 1002(40)
Self-employed buy via the Marketplace	HealthCare.gov — Self-employed people
ABA member healthcare program	buses.org — ABA Healthcare Benefits

Disclaimer. This guide is general information for motorcoach operators and is not legal, insurance, tax, or benefits advice. Statutes and regulations cited here are summarized in plain language and may change; the citations are provided so you can read the current text yourself. Forming any group insurance arrangement requires licensed insurance professionals and qualified counsel, and nothing in this guide creates, offers, or promises coverage of any kind. Station Bus Nation is a directory and membership community; it is not an insurer, broker, or plan sponsor and is not a party to any insurance transaction.