

ORIGINAL

Decision No. 46269

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation to determine the propriety
of adopting a proposed General Order to
supersede General Order No. 91-A, requiring
all Highway Common Carriers, Petroleum
Irregular Route Carriers, and Passenger
Stage Corporations to provide protection
against liability for personal injury
(including death resulting therefrom) and
property damage.

Case No. 5298

Earl A. Bagby and Douglas Brookman, for Pacific Greyhound
Lines
Reginald L. Vaughan, for Gibson Lines, American Bus Lines
and Burlington Transportation System
Arthur Glanz and Frederic A. Jacobus, for Transcontinental
Bus System, Inc., and Continental Pacific Lines
Hector P. Balda and Jesse E. Anderson, for Bay Cities Transit
Company
Richard J. Glasscock, for San Bernardino Valley Transit
Company
Frank S. Richards and George Hauer, for Key System Transit
Lines
Randolph Karr, for Pacific Electric Railway Company
Philip S. Mathews and John W. Skinner, for Airporttransit
Dan Baker, for Alameda County Draymen's Assn. and Pacific
Motor Tariff Bureau
Stanley M. Lanham, for Los Angeles Transit Lines
D. F. Hanson, for San Diego Transit System
W. J. Rellafor, for Asbury Rapid Transit System
George H. Hook, for Pacific City Lines
E. E. Bennett, for Interstate Transit Lines and Union
Pacific Stage Company
John Power, for the Commission's Staff.

O P I N I O N

The above-entitled proceeding was instituted by the Commission on its own motion, May 18, 1951, to determine the propriety of adopting a proposed general order which would require all highway common carriers, petroleum irregular route carriers and passenger stage corporations to provide specified protection against liability for personal injury (including death resulting therefrom) and property damage. Due service of the order of investigation was made upon all interested parties.

Public hearing was held at San Francisco on August 8, 1951, before Commissioner Mitchell and Examiner R. K. Hunter and the matter submitted insofar as it related to highway common and petroleum irregular route carriers. Subsequently, on August 20, 1951, by Decision No. 46091, the Commission superseded General Order No. 91-A by adopting General Order No. 100 which prescribed rules and regulations governing personal injury and property damage protection to be provided by highway common and petroleum irregular route carriers. An adjourned hearing to receive additional evidence pertaining to passenger stage corporations was held at Los Angeles on September 19, 1951, before Commissioner Mitchell and Examiner Howard at which time the case was submitted.

Decision No. 46091 states the fact that there was considerable testimony on behalf of passenger stage corporations as to the desirability of making provision for self-insurance. The staff of the Commission introduced in evidence, at the September hearing, a proposed general order relating solely to passenger stage corporations, which included rules and regulations for qualifying as a self-insurer. Aside from a few suggestions for clarity the proposed order was approved by all but one of the parties present. The latter urged, in substance, that any passenger stage corporation qualifying as a self-insurer, under the security or financial responsibility provisions of the California Motor Vehicle Code, be exempt from the provisions of the proposed general order.

To avoid possible confusion as to the required amounts of protection and the necessary qualifications for self-insurance the Commission is of the opinion and finds that the proposed

general order should be adopted as introduced and clarified at the hearing but without amendment to exempt self-insurers qualifying under the California Motor Vehicle Code. Under one of the provisions of the proposed general order the Commission may approve the application of a passenger stage corporation to qualify as a self-insurer if the financial condition and other evidence in support thereof establish to the satisfaction of the Commission the ability of such passenger stage corporation to satisfy its public liability and property damage obligations within the limits specified, without affecting the stability and permanency of its operation. Evidence of self insurance qualifications under the terms of the California Motor Vehicle Code may be introduced pursuant to the above provision.

The cooperation of the parties and their many valuable suggestions during the course of this proceeding are appreciated.

After full consideration of the record herein, the Commission finds that the proposed general order pertaining to passenger stage corporations is reasonable, necessary, in the public interest and should be adopted. ✓

O R D E R

Investigation having been instituted by the Commission herein, public hearing having been held, evidence having been received, the matter having been duly submitted and the Commission being fully advised,

IT IS ORDERED:

1. That the rules and regulations, comprising what shall be known hereafter as General Order No. 101, attached hereto and

made a part hereof, which require passenger stage corporations to provide and continue in effect adequate protection against liability imposed by law against them for the payment of damages for personal bodily injuries (including death resulting therefrom) and property damage, be and they are hereby approved and adopted.

2. That the Secretary shall serve a copy of this order on each passenger stage corporation subject to the Commission's jurisdiction as of the date of this order.

3. That this order shall become effective twenty (20) days after the date hereof for the purpose of filing applications required by said General Order No. 101 and for consideration thereof ✓ by the Commission including orders in approval or disapproval thereof, and shall become effective for all other purposes on the 1st day of January, 1952:

Dated at San Francisco, California, this 2nd day of October, 1951.

R. T. Anderson
PRESIDENT
James P. Calkins
Harold H. Hulse
John E. McLaughlin

COMMISSIONERS

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GENERAL ORDER NO. 101

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

RULES AND REGULATIONS REQUIRING ALL PASSENGER STAGE CORPORATIONS, SUBJECT TO THE PUBLIC UTILITIES CODE, TO PROVIDE AND THEREAFTER CONTINUE IN EFFECT ADEQUATE PROTECTION AGAINST LIABILITY IMPOSED BY LAW UPON SUCH CARRIERS FOR THE PAYMENT OF DAMAGES FOR PERSONAL BODILY INJURIES (INCLUDING DEATH RESULTING THEREFROM) AND DAMAGE TO OR DESTRUCTION OF PROPERTY.

Adopted October 2, 1951. Effective January 1, 1952

(Decision No. 46269, Case No. 5298.)

(1) Each and every passenger stage corporation as defined in the Public Utilities Code, shall provide and thereafter continue in effect, so long as they may be engaged in conducting such operations, adequate protection against liability imposed by law upon such carriers for the payment of damages for personal bodily injuries (including death resulting therefrom) and for damage to or destruction of property other than property being transported by such carrier for any shipper or consignee, whether the property of one or more than one claimant, in amounts not less than the amounts set forth in the following schedule:

Operations containing vehicles of seating capacity of:	For bodily injuries to or death of one person	For bodily injuries to or death of all persons injured or killed, in any one accident, (subject to a maximum of \$15,000 for bodily injuries to or death of one person)	For loss of damage, in any one accident, to property of others (excluding cargo)
7 passengers or less. . .	\$15,000	\$30,000	\$10,000
8 to 12 passengers, incl.	15,000	40,000	10,000
13 to 20 passengers, incl.	15,000	60,000	10,000
21 to 30 passengers, incl.	15,000	80,000	10,000
31 passengers or more	15,000	100,000	10,000

(2) The protection required under Section (1) hereof shall be evidenced by the deposit with the Public Utilities Commission of a policy or policies of public liability insurance and property damage insurance issued by a company licensed to write such insurance in the State of California; or of a bond of a surety company permitted to write surety bonds in the State of California.

(3) A copy of an insurance policy, duly certified by the company issuing it to be a true copy of the original policy, or a photostatic copy thereof, or an abstract of the provisions of said policy, or a certificate of insurance issued by the company issuing such policy, may be filed with the Commission in lieu of the original or duplicate original of said policy.

(4) The policy of insurance or bond evidencing such protection hereinabove required shall not be cancelable on less than thirty (30) days' written notice to the Public Utilities Commission, such notice to commence to run from the date the notice is actually received at the office of the Commission.

(5) The Commission will give consideration to and may approve the application of a passenger stage corporation to qualify as a self-insurer provided such passenger stage corporation files an application with the Commission supported by a true and accurate statement of its financial condition and other evidence which will establish to the satisfaction of the Commission the ability of such passenger stage corporation to satisfy its obligations for public liability and property damage within the limits hereinabove prescribed, without affecting the stability and permanency of the business of such passenger stage corporation.

(6) The Commission will also consider applications for approval of other securities or agreements of indemnity and may approve any such applications if satisfied that the security or

agreement of indemnity offered will afford the security for the protection of the public hereinabove contemplated.

(7) Any passenger stage corporation engaged in interstate or intrastate operations within the State of California, which is *Q. M. Nor* becomes qualified as a self-insurer with the Interstate Commerce Commission in accordance with laws of the United States applicable to self-insurance by motor carriers and the rules and regulations of the Interstate Commerce Commission promulgated thereunder, shall be exempt, so long as such qualification remains effective, from the foregoing provisions of this General Order. Proof of the existence and continuation of such exempt status shall be filed with the Commission. Such proof shall be made by affidavit of the carrier. Additional affidavits or other proof of such qualification shall be filed in such form and at such times as the Commission may require.

(8) Each passenger stage corporation desiring to become qualified as a self-insurer, or to have orders or certificates issued by the Interstate Commerce Commission authorizing self-insurance accepted by this Commission, or to have other securities or agreements of indemnity accepted in lieu of the bond or insurance hereinabove provided, shall make application therefor to this Commission stating all of the facts which shall be required by the Commission with respect thereto, and if such application is approved, such passenger stage corporation shall, while such order of approval shall remain effective, be exempt from furnishing the policy or certificate of insurance or bond hereinabove provided.

(9) The cancellation or suspension of a policy of insurance or surety bond or the cancellation, suspension or surrender of a certificate of self-insurance issued by this Commission or the Interstate Commerce Commission shall immediately suspend the

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operating authority of the affected passenger stage corporation and no operation shall be conducted on any highway of the State of California until a policy or certificate of insurance, certificate of self-insurance coverage, bond, or the other securities or agreements of indemnity hereinabove specified, shall become effective and be accepted by and filed with the Commission.

(10) The protection required by this General Order may be provided by a combination of any or all of the foregoing methods.