

Decision No. 46483

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 :
 KEY SYSTEM TRANSIT LINES,)
 a corporation,)
 :
 For an Order Pursuant to Paragraph (5))
 of General Order No. 101, to Act as a)
 Self-Insurer.)
 -----)

Application
No. 32844

Donahue, Richards, Rowell and Gallagher, by
George E. Thomas, for applicant; Fred C.
 Hutchinson, City Attorney, and Robert T.
 Anderson, Assistant City Attorney, by Robert
T. Anderson, for the City of Berkeley, interested
 party; Thomas M. Carlson, City Attorney, by
Grant G. Calhoun, for the City of Richmond,
 interested party.

OPINION AND ORDER

Key System Transit Lines, applicant herein, is engaged in business as a passenger stage corporation as defined in the Public Utilities Code. It has filed this application pursuant to the provisions of the Commission's General Order No. 101 for an order authorizing it to act as a self-insurer against liability 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 for any shipper or consignee, whether the property of one or more than one claimant.

A public hearing was held in this matter on November 19, 1951. The record sets forth applicant's financial position and its insurance practices and experience, and shows that for many years it has been, and now is, applicant's policy to carry its own insurance, in part, and that it has provided a reserve for injuries and damages,

in the amount of \$911,369.03 as of September 30, 1951, through charges to operating expenses, its current accruals for this purpose being at the rate of \$50,000 a month. The record indicates that such reserve in the past has been adequate to meet claims not insured by excess coverage and that applicant never has failed to pay any legal liability for personal injury or damages to property for which it became responsible. Applicant desires, and now seeks authorization, to continue its present insurance practices of acting as a self-insurer of obligations for public liability and property damage up to the sum of \$50,000 arising out of any one accident and of providing insurance coverage of \$1,500,000, in excess of its self-insurance, with private insurance carriers.

Upon the basis of the showing made in this proceeding, it appears to us that applicant's resources and provisions for insurance are sufficient to enable it to meet its obligations for public liability and property damage, within the limits prescribed in General Order No. 101, and to afford security for the protection of the public without affecting the stability and permanency of its operations as a passenger stage corporation. Accordingly, we are of the opinion, and hereby find, that applicant should be authorized to act as a self-insurer as set forth herein, unless and until hereafter otherwise ordered or directed; therefore,

IT IS HEREBY ORDERED that the Commission hereby approves Key System Transit Lines' application under General Order No. 101 for authority to act as a self-insurer of its obligations for public liability and property damage, with provision for excess coverage, as outlined in the application.

This order will become effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 4th day of December, 1951.

A. F. ...
President

Justus F. ...
Harold P. ...

...
...
Commissioners