

ORIGINAL

Decision No. 46564

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Application
No. 32959

O P I N I O N

Interstate Transit Lines, applicant herein, has filed this application pursuant to the provisions of the Commission's General Order No. 101 for authority to act as a self-insurer against liability for the payment of damages for personal bodily injuries and property losses. Specifically, its program provides for self-insurance up to \$75,000 for personal injuries, including death, of one or more persons in any one accident, and up to \$25,000 for property damage, and for excess coverage with Lloyd's of London up to a maximum amount of \$887,500.

Applicant was organized on June 20, 1928, under the laws of the State of Nebraska, all of its outstanding stock being owned by Union Pacific Railroad Company, The Greyhound Corporation and Chicago and Northwestern Railway Company. It is engaged in business as a passenger stage corporation operating in interstate commerce and locally in southern California. According to its 1950 annual report, its gross revenues amounted to \$9,884,020, with \$659,855 of such revenues being assigned by it to the State of California.

In this proceeding applicant reports that for many years it carried public liability and property damage insurance with an

insurance carrier, but that as a result of its experience it found it advantageous and economical to terminate such insurance during 1938 and to assume the contingent liability as a self-insurer. It has set up and now carries a reserve for claims for bodily injury, property damage and cargo liability, which currently is credited with amounts of estimated liabilities determined by its analysis of accidents as they occur, with subsequent adjustments as become warranted in the process of developing the claim settlements. It has qualified as a self-insurer in the matter of personal injury and property damage protection in the states of Arizona, Colorado, Iowa, Minnesota, Missouri, Nebraska, Nevada, South Dakota, Utah and Wyoming.

In statements filed with this proceeding applicant shows its financial position as indicated by its balance sheet and by its income and profit and loss account. It reports operating revenues of \$10,293,215 for the year 1949, of \$9,884,020 for the year 1950, and of \$7,956,003 for the nine months ended September 30, 1951, with net income after payment of operating expenses, taxes, interest and other deductions and making provision for depreciation, of \$1,521,934 in 1949, of \$1,306,283 in 1950, and of \$772,579 during the nine months of 1951. As of September 30 of this year it reports total current assets of \$5,561,005, including \$3,100,701 of cash and deposits and \$655,525 of temporary cash investments, and current liabilities as of the same date of \$2,650,875. It reports no equipment or other long-term obligations.

A review of the application and of the exhibits attached thereto indicates that applicant's resources are sufficient to enable it to meet its obligations as a self-insurer 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, an order will be entered granting its request.

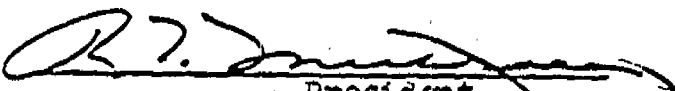
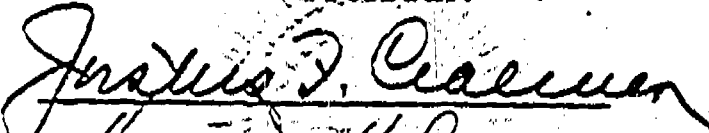

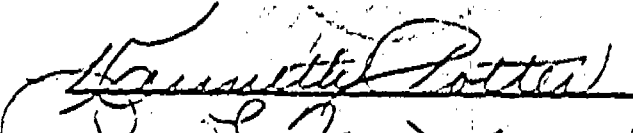
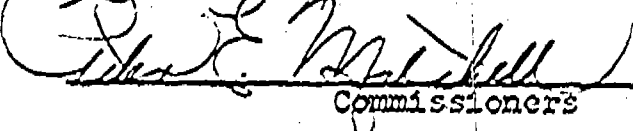
O R D E R

The Commission having considered the above entitled matter, and being of the opinion that a public hearing thereon is not necessary and that the application should be granted; therefore,

IT IS HEREBY ORDERED that the Commission approves the application of Interstate Transit Lines 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.

IT IS HEREBY FURTHER ORDERED that this order will become effective on January 1, 1952, and will continue in effect unless and until hereafter otherwise ordered or directed.

Dated at San Francisco, California, this 18th day of December, 1951.


President




Commissioners