

ORIGINAL

Decision No. 49139

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of METROPOLITAN COACH	)	
LINES for Authority to Act as	:	Application
Self-insurer up to \$25,000.00.	)	No. 34748
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OPINION AND ORDER

This is an application by Metropolitan Coach Lines for authorization to act as a self-insurer against liability for the payment of damages up to the amount of \$25,000 arising from any one accident.

Applicant intends to provide liability insurance to cover any excess over \$25,000 arising from any one accident by means of insurance policies or certificates with Pacific Employers Insurance Company and with underwriters at Lloyd's of London. It has filed in this proceeding copies of such documents which indicate excess coverage up to \$1,000,000.

In support of the request for self-insurance for the first \$25,000, applicant asserts that it intends to commence operations on October 1, 1953, and that under its plan of operation, as heretofore presented to the Commission, it will have sufficient capital and currently will have sufficient funds to pay liability claims up to the amount of \$25,000 arising from any accident without affecting the stability and permanency of its business. A reference in this connection to Decision No. 48923, dated August 4, 1953, shows that applicant has arranged, or is in process of arranging, a capital structure aggregating approximately \$8,500,000 represented by shares of stock, debentures and other borrowed money and providing, among other things, cash funds of \$1,243,500 for working capital and new equipment. The record in the proceeding on which the Commission's earlier decision was based shows applicant's estimate of its net

income during the first year of operations at \$115,000 after making provision for depreciation in the amount of \$1,116,000, and net income during the second year of operations at \$504,000 after making provision for depreciation in the amount of \$1,323,000.

Upon fully considering applicant's present request it appears to us that its resources should be ample to warrant an order approving its request for self-insurance. In our opinion a public hearing is not necessary in this matter and accordingly we will enter an order granting the application; therefore,

IT IS HEREBY ORDERED that Metropolitan Coach Lines, unless and until hereafter otherwise ordered or directed, may act as a self-insurer against liability for the payment of damages for personal bodily injuries (including death resulting therefrom) and for damages to or destruction of property, other than property being transported by applicant for any shipper or consignee, up to the amount of \$25,000 for damages arising from any one accident.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 29<sup>th</sup> day of September, 1953.

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President

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Commissioners

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