

ORIGINAL

Decision No. 60057

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's)
 own motion into the revision of)
 General Order No. 101 pertaining)
 to minimum liability insurance)
 protection required of passenger)
 stage corporation.)

Case No. 6362

T. M. Chubb, by Jack O. Sanders, for Department of Public Utilities and Transportation, City of Los Angeles; Vasilios B. Choulos, for National Association of Claimants Compensation Attorneys; E. Sam Davis, for Key System Transit Lines; and George H. Hook, for Pacific City Lines, Inc., interested parties.
Edward G. Fraser, for the Commission staff.

O P I N I O N

This is an investigation on the Commission's own motion to determine whether the minimum liability protection for passenger stage corporations, provided for in General Order No. 101, should be increased to the level presently required by the Interstate Commerce Commission for interstate operators.

A duly noticed public hearing was held in this matter before Examiner Donald B. Jarvis on December 9, 1959, at Los Angeles and on December 15, 1959, at San Francisco. The matter was submitted subject to the filing of a late-filed exhibit which has been filed.

The record discloses that all passenger stage corporations subject to the jurisdiction of this Commission were served with copies of the order instituting investigation. No one appeared at the public hearing to protest the raising of minimum liability insurance requirements to those presently required by the Interstate Commerce Commission.

The present minimum liability insurance requirements provided for in General Order No. 101 are as follows:

<u>Kind of Equipment (Passenger Seating Capacity)</u>	<u>For bodily injuries to or death of one person</u>	<u>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)</u>	<u>For loss or damage in any one accident to property of others (excluding cargo)</u>
7 passengers, or less	\$15,000	\$ 30,000	\$10,000
8 to 12 passengers, inclusive	15,000	40,000	10,000
13 to 20 passengers, inclusive	15,000	60,000	10,000
21 to 30 passengers, inclusive	15,000	80,000	10,000
31 passengers, or more	15,000	100,000	10,000

The minimum liability insurance requirements provided by the Interstate Commerce Commission are as follows:

<u>Kind of Equipment (Passenger Seating Capacity)</u>	<u>For bodily injuries to or death of one person</u>	<u>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)</u>	<u>For loss or damage in any one accident to property of others (excluding cargo)</u>
7 passengers, or less	\$25,000	\$100,000	\$10,000
8 to 12 passengers, inclusive	25,000	150,000	10,000
13 to 20 passengers, inclusive	25,000	200,000	10,000
21 to 30 passengers, inclusive	25,000	250,000	10,000
31 passengers or more	25,000	300,000	10,000

The evidence of record indicates that many carriers now carry more than the minimum amount of liability insurance required by General Order No. 101. In addition, the evidence discloses that if the Interstate Commerce Commission minimum requirements are adopted the additional cost in premiums to passenger stage corporations would range from approximately \$94 per year for buses having a capacity of 1 to 7 passengers to \$200 per year for buses having a capacity of 31 or more passengers. In many instances such rates would be lower because of fleet insurance discounts.

After full consideration of the record herein, the Commission finds that the public interest requires the increasing of the minimum liability insurance requirements for passenger stage corporations to the level presently required by the Interstate Commerce Commission. General Order No. 101 will be amended to provide accordingly.

O R D E R

A public hearing having been held and based upon the evidence therein adduced,

IT IS ORDERED that:

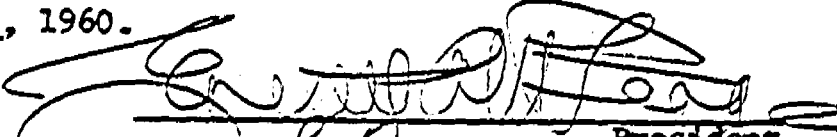
1. General Order No. 101 is amended in the manner set forth in Appendix A attached hereto and made a part hereof. The General Order, as amended, shall be republished and designated as General Order No. 101-A.

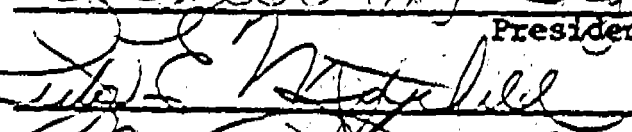
2. A copy of this decision shall be mailed to each passenger stage corporation under the jurisdiction of this Commission.


3. All passenger stage corporations shall comply with the terms of General Order No. 101-A as herein established on or before July 1, 1960.

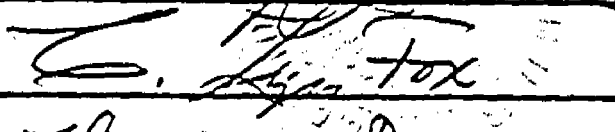
The effective date of this order shall be twenty days after the date hereof.

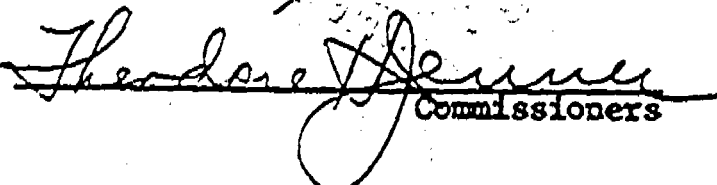
Dated at San Francisco, California, this 9th day of May, 1960.



President








Commissioners

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GENERAL ORDER NO. 101-A

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.

(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:

<u>Kind of Equipment (Passenger Seating Capacity)</u>	<u>For bodily injuries to or death of one person</u>	<u>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)</u>	<u>For loss or damage in any one accident to property of others (excluding cargo)</u>
7 passengers, or less	\$25,000	\$100,000	\$10,000
8 to 12 passengers, inclusive	25,000	150,000	10,000
13 to 20 passengers, inclusive	25,000	200,000	10,000
21 to 30 passengers, inclusive	25,000	250,000	10,000
31 passengers or more	25,000	300,000	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, or evidence of insurance issued on behalf of Lloyd's of London by a surplus lines insurance broker licensed as such in this state.

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(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 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 and 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.

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(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, or the impairment or destruction of any security, or the cancellation or termination of any agreement of indemnity, or the alteration (without first obtaining Commission authorization) of any agreement of indemnity, shall constitute good cause for suspension or revocation of the operating authority of the affected passenger stage corporation. No operation shall be conducted on any highway of the State of California unless a policy or certificate of insurance, certificate of self-insurance coverage, bond, or the other securities or agreements of indemnity hereinabove specified, shall be in effect and on file 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.