

ORIGINALDecision No. 62631

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation on)
 the Commission's own motion into the)
 adoption of a General Order prescribing)
 minimum public liability and property)
 damage insurance requirements for)
 common carrier vessels.)

Case No. 6429

Albert D. Elledge, for Harbor Tug and Barge Co.;
Graham, James and Rolph, by Boris H. Lakusta,
 for Russell G. Lewis; James J. Jones, Jr., for
Berkeley Transportation Co.; Frank Loughran,
Gibson, Dunn and Crutcher, by Max Eddy Utt;
Donald Tormey and David E. Livingston, for
Marsh and McLennon-Cosgrove and Co.; George A.
Smith; John J. Karmelich, for H. M. Newhall,
Sayre & Toso and W. Brandt; Arthur F. Peterson
 and Ralph Gano Miller, Johnson & Higgins of
California, by G. E. Ludeke, for United Water
Taxi Co.; W. J. Pinckney, for Munn, McLaurin
Co., interested parties.
Elmer J. Sjostrom, for the Commission staff.

O P I N I O N

On December 20, 1960, the Commission issued Decision No. 61223 herein, establishing General Order No. 111. In applying the general order it was found that certain technical difficulties existed. The matter was accordingly reopened.

Public hearings were held at Los Angeles on June 22 and in San Francisco on June 23, 1961. Submission took place on the latter date subject to certain suggestions to be filed later. These have been received and the matter is ready for decision.

None of the witnesses wanted to fundamentally change the general order; however, a number of suggestions to make it more workable were submitted.

One suggestion was that deductible policies be allowed. Another was that an additional classification be set up in the

small boat field. A third was that Paragraph (3)(d) of the order be clarified. It was also requested that the permissibility of single limit policies be made clear.

All the above suggestions are reasonable and will probably aid in enforcement. The Commission finds that public safety, convenience and necessity require that the general order be amended accordingly.

An insurance broker's representative inquired whether certificates issued by California brokers in behalf of English companies would be acceptable to the Commission. In the present state of the record this question cannot be answered. Such cases can best be disposed of by special applications under Paragraph (3)(d) of the general order. At present, it does not appear feasible to deal with the question in the general order.

O R D E R

This investigation having been reopened, further public hearings held and the Commission basing its order upon the findings and conclusions set forth in the foregoing opinion,

IT IS ORDERED that:

1. General Order No. 111 of this Commission be, and it is, amended to read as shown on the attachment hereto, and designated General Order No. 111-A.

2. Said General Order No. 111-A shall take effect on January 1, 1962.

3. Case No. 6429 is discontinued.

Dated at San Francisco, California, this 3rd day of OCTOBER, 1961.

E. J. Fox President

George E. Grover

Fredrick B. Haloboff

Commissioners

Everett C. McKeage
Commissioner S. Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

General Order No. 111-A
(Supersedes General Order No. 111)

PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA

RULES AND REGULATIONS REQUIRING ALL VESSEL COMMON CARRIERS 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 by Decision No. 62631 in Case No. 6429,
effective January 1, 1962.

(1) Every vessel common carrier, as defined in the Public Utilities Code, shall provide and thereafter continue in effect, so long as it 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.

Kind of Equip- ment (Passenger Seating Capacity)	For bodily injuries to or death of one person	For bodily injur- ies to or death of all persons injured or killed, in any one accident (sub- ject to a maximum of \$25,000 for bodily injuries to or death of one person)	For loss or damage, in any one accident, to prop- erty of others (excluding cargo)	Minimum for Single Limit Coverage
Property only (no passengers)	\$25,000	\$ 100,000	\$10,000	\$ 110,000
1- 99 passengers	25,000	300,000	10,000	310,000
100-199 passengers	25,000	400,000	10,000	410,000
200-299 passengers	25,000	500,000	10,000	510,000
300-399 passengers	25,000	600,000	10,000	610,000
400-499 passengers	25,000	700,000	10,000	710,000
500-999 passengers	25,000	1,000,000	10,000	1,000,000
1,000-1,999 passengers	25,000	1,500,000	10,000	1,500,000
2,000- or more passengers	25,000	2,000,000	10,000	2,000,000

(2) The amount of coverage to be provided by each carrier shall be determined in one of the following ways:

- (a) Where the policy, surety bond or contract covers more than one vessel, the coverage for all vessels shall be determined by the coverage applicable to that covered vessel which has the highest requirement.
- (b) Where each vessel is covered by a separate policy, bond or contract or by separate schedules each of which is applicable to a single vessel within a policy, bond or contract covering two or more vessels, then the minimum required coverage for each vessel shall be determined by its own individual requirement.

(3) The protection herein required shall be provided in one of the following ways:

- (a) By a policy, or policies, of public liability insurance and property damage insurance issued by a company, or companies, licensed to write such insurance in the State of California.
- (b) By a bond, or bonds, issued by a surety company, or companies, permitted to write surety bonds in the State of California.
- (c) By evidence of insurance issued on behalf of Lloyd's of London by an insurance broker licensed as such in this State.
- (d) By any other plan of protection for the public approved as hereinafter required.
- (e) By a plan of self insurance approved as hereinafter required.
- (f) By a combination of two or more of the foregoing methods.

(4) When protection is to be provided by the means set forth in subparagraphs (a), (b), (c), (d), and (f) of paragraph (3) hereof, a deductibility clause may be inserted. Where 5 per centum, or less, of the risk is made deductible, no special approval will be required. Where more than 5 per centum of the risk is made deductible special approval under paragraph (6) of this general order shall be required.

(5) The protection provided hereunder shall not be cancelable on less than thirty days' notice to the Public Utilities Commission, such notice to commence to run from the date the notice is actually received at the San Francisco or Los Angeles offices of the Commission.

(6) When the protection is provided by an approved alternate plan or a plan of self-insurance, or includes such an approved plan or plan of self-insurance with other methods, approval of the Commission is required. Such approval shall be requested by a formal application in accordance with the Commission's rules of practice and procedure setting forth all the facts which shall be required by the Commission with respect thereto.

(7) The cancellation or suspension of a policy of insurance or surety bond, or the impairment or destruction of any security or the cancellation or termination of any approved alternate plan, shall constitute good cause for suspension or revocation of the operating authority of the affected vessel common carrier. No operation shall be conducted within the State of California unless a policy or certificate of insurance, certificate of self-insurance coverage, bond, or the other securities or approved alternate plans hereinabove specified, shall be in effect and on file with the Commission.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

By R. J. PAJALICH, Secretary