

ORIGINAL

Decision No. 66515

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:)
)
 TRANSCONTINENTAL BUS SYSTEM, INC.,)
 a Delaware corporation, and of)
 CONTINENTAL PACIFIC LINES, a)
 California corporation, for)
 authority to self-insure and for)
 waiver of the rules requiring the)
 filing of policies of insurance)
 covering the operations of the)
 applicants as charter-party carriers)
 in the State of California,)
 pursuant to the provisions of)
 Section 5391 of the Public Utilities)
 Code and of Section (5) of General)
 Order No. 115.)

Application No. 45991
Filed December 3, 1963

O P I N I O N

This is an application for an order of the Commission granting Transcontinental Bus System, Inc. and Continental Pacific Lines, applicants herein, authority to act as self-insurers of their operations as charter-party carriers of passengers.

Applicants operate as passenger stage corporations between certain points in California and operate also as charter-party carriers of passengers. In addition to operating under the jurisdiction of this Commission, they operate under the jurisdiction of the Interstate Commerce Commission in various states. Continental Pacific Lines is a wholly-owned subsidiary of Transcontinental Bus Company System, Inc.

By Decision No. 55684, dated October 15, 1957, in Application No. 39353, this Commission authorized applicants to self-insure their operations as passenger stage corporations and authorized Transcontinental Bus System, Inc. to act as guarantor and surety of Continental Pacific Lines. Applicants now seek the same authority with respect to their operations as charter-party carriers of passengers.

Applicants report that presently they are self-insured in the conduct of regular route scheduled operations, both in California intrastate commerce and in interstate commerce; that, in addition, they are self-insured with respect to interstate charter operations conducted throughout the United States; and that the relief sought in this application would extend their self-insurance program to include California charter-party operations.

We have considered this matter and find that the insurance program authorized by said Decision No. 55684, with respect to applicants' operations as passenger stage corporations, will enable applicants to satisfy their obligations as charter-party carriers of passengers for public liability and property damage within the limits prescribed by General Order No. 115, without affecting the stability and permanency of their businesses. Based upon such finding, we conclude that the application should be granted. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Transcontinental Bus System, Inc. and Continental Pacific Lines are hereby qualified as self-insurers and are authorized to self-insure the operations of their businesses as charter-party carriers of passengers with respect to their liability for payment of final judgment recovered against them for bodily injuries to or the death of persons, or loss of or damage to property of others, resulting from negligence in the operation, maintenance or use of motor vehicles within the State of California.

2. As to intrastate charter-party passenger operations in the State of California, Transcontinental Bus System, Inc. is hereby authorized to act as guarantor and surety of Continental Pacific Lines, in accord with the provisions of like authority heretofore granted, as to interstate operations, by the Interstate Commerce Commission.

3. Transcontinental Bus System, Inc. and Continental Pacific Lines are hereby exempted from the requirements of General Order No. 115 so long as their qualification as self-insurers with the Interstate Commerce Commission remains effective, or unless and until hereafter otherwise ordered and directed. Said companies shall be exempt from furnishing the policy or certificate of insurance or bond provided for in said General Order. However, said companies shall comply with the provisions set forth in Paragraph 6 of this order.

4. Transcontinental Bus System, Inc. and Continental Pacific Lines shall maintain, so long as they continue to self-insure, insurance covering any amount they may have to pay in excess of \$10,000 as a result of any single accident or occurrence involving the death of or bodily injury to any person, and/or loss of or damage to property of others, resulting from negligence in the operation, maintenance, or use of motor vehicles, for limits of \$990,000 in excess of \$10,000.

5. Transcontinental Bus System, Inc. shall maintain, so long as it continues to act as surety for Continental Pacific Lines, insurance covering any amount it may thereby have to pay in excess of \$10,000 as a result of any single accident or occurrence involving the death of or bodily injury to any person, and/or loss of or damage to property of others resulting from negligence in the operation, maintenance, or use of motor vehicles, for limits of \$990,000 in excess of \$10,000.

6. Transcontinental Bus System, Inc. and Continental Pacific Lines shall cause the insurance company or companies providing the excess insurance referred to in paragraphs 4 and 5 of this order to certify to this Commission that such excess insurance is in force and that it will not be terminated or altered in any material respect except on thirty days' notice to this Commission.

7. The effective date of this order is the date hereof.

Dated at San Francisco, California,
this 27th day of DECEMBER, 1965.

William W. Donald
President

Carol W. Rose

George J. Grover

Fredrick B. Holloff

Commissioners

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