

**ORIGINAL**

Decision No. 70376

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own motion into the adoption of a General Order prescribing minimum public liability and property damage insurance requirements for passenger stage corporations and charter-party carriers of passengers.

Case No. 8201

Keith L. Grimm, for North Bay Water Service and Charter Bus Operators Association of California; Warren K. Miller, for Charter Bus Operators Association of California; Robert A. Burrowes, for Lincoln Bus Line; R. W. Russell, for the City of Los Angeles; Dominic A. Mannion, for M & M Charter Lines and California Charter Bus Association, interested parties.  
Elmer Sjostrom and Ronald Hayes, for the Commission staff.

O P I N I O N

This investigation was instituted on June 15, 1965, for the purpose of determining whether the public liability and property damage insurance in the minimum amounts as set forth in General Order No. 101-A (passenger stage corporations) and General Order No. 115 (charter-party carriers of passengers) should be set at higher minimum amounts. Public hearing was held before Examiner Porter on December 10, 1965, at San Francisco and December 21, 1965, at Los Angeles, and the matter was submitted on the latter date.

The staff of the Commission presented evidence as to the necessity for increased limits as set forth in Exhibits 1 and 2. The reasons given for these necessary increases are: the increased exposure; more passenger miles; more passengers; more vehicles on the road; and the increased general cost of living.

The parties who appeared supported the staff recommendation and made statements to the effect that the members of the group or association they represented now have, in general, more insurance than required by General Orders Nos. 101-A and 115.

Finding

The amounts set forth in the following General Orders are reasonably necessary to provide adequate compensation for damage incurred through an accident involving any passenger stage corporation or charter-party carrier of passengers.

Conclusion

The public interest requires the adoption of the following General Orders.

O R D E R

IT IS ORDERED that:

1. General Order No. 101-B, as set forth in Appendix A to this order, applicable to all passenger stage corporations, is hereby adopted, to become effective July 1, 1966, and superseding General Order No. 101-A on that date.
2. General Order No. 115-A, as set forth in Appendix B to this order, applicable to all charter-party carriers of passengers,

is hereby adopted, to become effective July 1, 1966, and superseding General Order No. 115 on that date.

3. The Secretary shall cause a copy of this decision and its appendices to be mailed forthwith to each "passenger stage corporation" and each "charter-party carrier of passengers".

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

Dated at San Francisco, California, this 23rd day of February, 1966.

Fredrick B. Hallock  
President

John W. ...

George T. ...

Burgator

William ...  
Commissioners

(APPENDIX A)

GENERAL ORDER NO. 101-B  
(Supersedes General Order No. 101-A)

PUBLIC UTILITIES COMMISSION OF THE  
STATE OF CALIFORNIA

RULES 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.

Adopted February 23, 1966. Effective July 1, 1966.  
Decision No. 70376, Case No. 8201.

(1) Each passenger stage corporation, 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:

<u>Kind of Equipment (Passenger Seating Capacity)</u>	<u>For bodily injuries to or death of 1 person</u>	<u>For bodily injuries to or death of 1 person)</u>	<u>For loss or dam- age, in any one accident, to prop- erty of others (excluding cargo)</u>	<u>Minimum for Single Limit Coverage</u>
7 passengers, or less	\$50,000	\$200,000	\$20,000	\$220,000
8 to 12 passengers, incl.	50,000	300,000	20,000	320,000
13 to 20 passengers, incl.	50,000	400,000	20,000	420,000
21 to 30 passengers, incl.	50,000	500,000	20,000	520,000
31 to 40 passengers, incl.	50,000	600,000	20,000	620,000
41 passengers or more	50,000	700,000	20,000	720,000

(2) The protection required under Section (1) hereof shall be evidenced by the deposit with the Public Utilities Commission of a certificate of 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.

(3) The certificate of insurance, in form approved by the Commission, must be signed by the company issuing the policy, or by the underwriting managers for a group of companies issuing the policy, or in the case of Lloyd's of London, by the broker placing such coverage.

(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 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

(App. A)

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 a certificate of insurance or bond hereinabove provided.

(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 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.

Issued by order made at San Francisco, this 2<sup>nd</sup> day of February, 1966.

PUBLIC UTILITIES COMMISSION OF THE  
STATE OF CALIFORNIA

By William W. Dunlop  
WILLIAM W. DUNLOP, Secretary

(APPENDIX B)

GENERAL ORDER NO. 115-A  
(Supersedes General Order No. 115)

PUBLIC UTILITIES COMMISSION OF THE  
STATE OF CALIFORNIA

RULES REQUIRING ALL CHARTER-PARTY CARRIERS OF PASSENGERS, 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.

Adopted February 23, 1966. Effective July 1, 1966.  
Decision No. 70376, Case No. 8201.

(1) Each charter-party carrier of passengers, 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 Equipment (Passenger Seating Capacity)	For bodily injuries to or death of 1 person	For bodily injuries to or death of 1 person)	For loss or dam- age, in any one accident, to prop- erty of others (excluding cargo)	Minimum for Single Limit Coverage
7 passengers, or less	\$50,000	\$200,000	\$20,000	\$220,000
8 to 12 passengers, incl.	50,000	300,000	20,000	320,000
13 to 20 passengers, incl.	50,000	400,000	20,000	420,000
21 to 30 passengers, incl.	50,000	500,000	20,000	520,000
31 to 40 passengers, incl.	50,000	600,000	20,000	620,000
41 passengers or more	50,000	700,000	20,000	720,000

(2) The protection required under Section (1) hereof shall be evidenced by the deposit with the Public Utilities Commission of a certificate of 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.

(3) The certificate of insurance, in form approved by the Commission, must be signed by the company issuing the policy, or by the underwriting managers for a group of companies issuing the policy, or in the case of Lloyd's of London, by the broker placing such coverage.

(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 charter-party carrier of passengers to qualify as a self-insurer provided such charter-party carrier of passengers 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 charter-party carrier of passengers 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 charter-party carrier of passengers.

(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 charter-party carrier of passengers 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 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 charter-party carrier of passengers 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 charter-party carrier of passengers shall, while such order of approval shall remain effective, be exempt from furnishing a certificate of insurance or bond hereinabove provided.

(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 charter-party carrier of passengers. No operation shall be conducted on any highway of the State of California unless a 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.

Issued by order made at San Francisco, this 23rd day of February, 1966.

PUBLIC UTILITIES COMMISSION OF THE  
STATE OF CALIFORNIA

By William W. Dunlop  
WILLIAM W. DUNLOP, Secretary