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**ORIGINAL**

Decision No. 74080

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 highway common carriers, petroleum irregular route carriers, cement carriers, radial highway common carriers, highway contract carriers, petroleum contract carriers, cement contract carriers, household goods carriers and city carriers.

Case No. 8681  
(Filed August 29, 1967)

(Appearances are listed in Appendix B)

O P I N I O N

This investigation was instituted on August 29, 1967 for the purpose of determining whether the public liability and property damage insurance in the minimum amounts as set forth in General Order No. 100-D (all highway common carriers, cement carriers, radial highway common carriers, highway contract carriers, cement contract carriers, household goods carriers, city carriers and highway common carriers of petroleum products in bulk in tank vehicles, petroleum irregular route carriers, and petroleum contract carriers) should be set at higher minimum amounts.

Public hearing was held before Examiner Porter on November 14 and 15, 1967, at San Francisco and December 7, 1967, at Los Angeles. The matter was submitted on the latter date subject to the filing of briefs; briefs have been filed and the matter is now ready for decision.

The staff of the Commission presented evidence as to the necessity for increased limits as set forth in Exhibit No. 1. The staff pointed out that there have not been any changes in General

Order No. 100-D for over ten years, except that petroleum carriers' insurance minimum was increased in 1961. There has been an increase in exposure; there are more vehicles; carriers travel more miles and carry more freight; and the increased general cost of living is also a factor. There has also been a growth in high awards in court decisions involving accidents.

The staff recommended that for carriers transporting property (other than petroleum) the present limits of \$25,000/100,000 P.L. and \$10,000 P.D. be raised to \$50,000/200,000 P.L. and \$10,000 P.D.; for carriers transporting petroleum or petroleum products the present limits of \$100,000/300,000 P.L. and \$50,000 P.D. be raised to \$200,000/600,000 P.L. and \$100,000 P.D.

Interested parties presented evidence that the insurance limits should be increased and recommended levels in the range of \$250,000/500,000 to \$500,000/\$1,000,000 for public liability for all property carriers, and \$100,000 to \$200,000 for property damage for all property carriers (other than petroleum carriers), and \$250,000 for property damage for petroleum carriers.

In our considered opinion the recommendations of the staff are too low and the recommendations of the interested parties are too high, and while it is conceivable that in an isolated incident any required minimum level would not provide a carrier with sufficient insurance coverage, we are of the opinion that a compromise figure will more realistically reflect the insurance needs of the public and the trucking industry.

#### Findings

Based on the evidence the Commission finds that the minimum insurance limits for highway carriers heretofore mentioned should be increased.

The amounts set forth in the following General Order are reasonably necessary to provide adequate compensation for damage incurred through an accident involving any highway carrier heretofore mentioned.

The Commission concludes that the public interest requires the adoption of the following General Order.

O R D E R

IT IS ORDERED that:

1. General Order No. 100-E as set forth in Appendix A to this order, applicable to all highway carriers heretofore mentioned, is adopted to become effective October 1, 1968 and shall supersede General Order No. 100-D on that date.

2. The Secretary shall cause a copy of this decision and its appendices to be mailed forthwith to each highway common carrier, cement carrier, radial highway common carrier, highway contract carrier, cement contract carrier, household goods carrier, city carrier, highway carrier of petroleum products in bulk in tank vehicles, petroleum irregular route carrier, and petroleum contract carrier.

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

Dated at San Francisco, California, this 7<sup>th</sup> day of MAY, 1968.

[Signature]  
President

[Signature]

[Signature]

[Signature]  
Commissioners

APPENDIX A

GENERAL ORDER NO. 100-E  
(Supersedes General Order No. 100-D)

Public Utilities Commission of the  
State of California

RULES AND REGULATIONS REQUIRING ALL HIGHWAY COMMON CARRIERS, PETROLEUM IRREGULAR ROUTE CARRIERS, CEMENT CARRIERS, RADIAL HIGHWAY COMMON CARRIERS, HIGHWAY CONTRACT CARRIERS, PETROLEUM CONTRACT CARRIERS, CEMENT CONTRACT CARRIERS, HOUSEHOLD GOODS CARRIERS AND CITY 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 May 7, 1968, Effective  
October 1, 1968.

(1) Every highway common carrier, except highway common carriers of petroleum products in bulk in tank vehicles; cement carrier; radial highway common carrier; highway contract carrier; cement contract carrier; household goods carrier and city carrier 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) in the amount of not less than one hundred thousand dollars (\$100,000) on account of bodily injuries to, or death of, one person; and protection against total liability of such carriers on account of bodily injuries to, or death of more than one person as a result of any one accident, but subject to the same limitation for each person, in the amount of not less than three hundred thousand dollars (\$300,000) and protection in the amount of not less than

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fifty thousand dollars (\$50,000) for one accident resulting in 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.

(2) Every highway common carrier of petroleum products in bulk in tank vehicles, petroleum irregular route carrier, and petroleum contract carrier, 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) in the amount of not less than two hundred thousand dollars (\$200,000) on account of bodily injuries to, or death of, one person; and protection against a total liability of such carriers on account of bodily injuries to, or death of more than one person as a result of any one accident, but subject to the same limitation for each person, in the amount of not less than six hundred thousand dollars (\$600,000); and protection in an amount of not less than one hundred thousand dollars (\$100,000) for one accident resulting in damage to or destruction to property other than property being transported by such carrier for any shipper or consignee, whether the property of one or more than one claimant.

(3) The protection required under Sections 1 and 2 hereof shall be evidenced by the deposit with the Public Utilities Commission, covering each vehicle used or to be

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used in conducting the service performed by each such highway common carrier, petroleum irregular route carrier, cement carrier, radial highway common carrier, highway contract carrier, petroleum contract carrier, cement contract carrier, household goods carrier, or city carrier, of a policy or policies of public liability 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 licensed to write surety bonds in the State of California.

(4) 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 a duplicate or counterpart of said policy.

(5) Said policy of insurance, or surety bond, evidencing such protection, shall not be cancelable on less than thirty (30) days' written notice to the Public Utilities Commission, such notice to commence to run from the date notice is actually received at the office of said Commission.

(6) Any highway common carrier, petroleum irregular route carrier, cement carrier, radial highway common carrier, highway contract carrier, petroleum contract carrier, cement contract carrier, cement carrier, and city carrier, desiring to furnish equivalent protection to the public by means other than those prescribed in the

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foregoing sections, whether as a self-insurer or otherwise, shall file an application for authority to do so in accordance with the Commission's Rules of Practice and Procedure.

(7) Every insurance policy, surety bond or equivalent protection to the public shall contain a provision that such policy, surety bond or equivalent protection will remain in full force and effect until canceled in the manner provided by paragraph 5 of this General Order, provided however, that an insurance policy, bond or equivalent protection in effect on the effective date of this order may be continued in effect for the balance of the term for which it was issued or established.

(8) Upon cancellation, expiration or suspension of an insurance policy or surety bond, or the cancellation of equivalent protection issued by this Commission, the operative authority of any highway common carrier, petroleum irregular route carrier, cement carrier, radial highway common carrier, highway contract carrier, petroleum contract carrier, cement contract carrier, household goods carrier or city carrier shall stand suspended immediately upon the effective date of such cancellation, expiration or suspension.

(9) The suspension of the operative authority of any highway common carrier, petroleum irregular route carrier, or cement carrier pursuant to Rule 8 hereof shall suspend also all tariff filings of such carrier. Suspension supplements to tariffs so suspended are not required and shall not be filed.

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(10) No carrier shall engage in any operation on any public highway in this State during the suspension of its operative authority.

(11) The operative right or rights held by any highway common carrier, petroleum irregular route carrier, or cement carrier shall be subject to revocation in the manner provided by Section 1070 of the Public Utilities Code whenever the operative right of such carrier has been suspended under the provisions of this General Order.

(12) No highway common carrier, petroleum irregular route carrier, or cement carrier whose operative rights have been suspended under the provisions of paragraph 8 of this General Order shall resume operations unless and until such carrier shall have filed, and the Commission shall have granted, a written request for removal of such suspension. Such written request shall be accompanied by evidence of an insurance policy, surety bond or equivalent protection in effect at the time and which meets the standards set forth in this General Order and by a fee of one hundred fifty dollars (\$150).

Issued by order made at San Francisco this 7<sup>th</sup>  
day of May, 1968.

PUBLIC UTILITIES COMMISSION OF THE  
STATE OF CALIFORNIA

By WILLIAM W. DUNLOP, Secretary



APPENDIX B

LIST OF APPEARANCES

FOR INTERESTED PARTIES:

John J. Balluff and Henry M. Moffatt, for The Atchison, Topeka and Santa Fe Railway Company and Santa Fe Trail Transportation Company; Richard W. Bridges, for Western Pacific Railroad Company; Donovan P. Anderson, for Order of Railway Conductors and Brakemen's California State Legislative Committee; Gary S. Anderson and Walt A. Steiger, for Southern Pacific Company; Scott J. Wilcott, for Southern California Rock Products Association; G. W. Ballard for Brotherhood of Railroad Trainmen; J. L. (Jim) Evans, for BLF&E Legislative Board; Marshall W. Vorkink, for Union Pacific Railroad Company; Don B. Shields, for Highway Carriers Association; John T. Reed, for California Manufacturers Association; Richard W. Smith, H. F. Kollmyer and A. D. Poe, for California Trucking Association; James G. Quinn, Jr., for himself; Robert E. Cartwright, for California Trial Lawyers Association; David M. Harney, for himself; Neil D. Heily, for himself; E. O. Blackman, for California Dump Truck Owners Association; Raoul Magana, for himself; G. Ralph Grago, for Associated Independent Owner-Operators, Inc.; Lynn Fruit, for J. L. Evans BLF and E; G. R. Mitchell, for Brotherhood of Locomotive Engineers.

FOR THE COMMISSION STAFF:

Elmer Sjostrom, Counsel; Ronald Hayes.