

ORIGINALDecision No. 74925

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

Investigation on the Commission's
 own motion to determine procedure and
 rules for the administration of
 Public Utilities Code Sections 4660
 through 4669, For-Hire Vessels,
 including the amount of bond re-
 quired thereby.

Case No. 7778

Leland C. Shay, for Mitchell & Company; Beattie
 Armstrong, for Golden Gate Sportfishers;
Russell A. Izor, for Associated Sportfishermen
 of California; Robert Taylor Townsend, for
 Marine Insurance Service; Arthur F. Peterson,
 for United Water Taxi Co., Inc., interested
 parties.
Janice E. Kerr, Counsel, and Douglas C. Quinlan,
 for the Commission staff.

O P I N I O N

This investigation was reopened on July 9, 1968, for the purpose of determining whether the public liability and property damage insurance in the minimum amounts as set forth in General Order No. 111-A (vessel common carriers) and General Order No. 121 (for-hire vessels) should be set at higher minimum amounts.

Public hearing was held before Examiner Porter on July 30, 1968, at San Francisco and on August 2, 1968, at Los Angeles. 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 Exhibit No. 1. The

reasons given for these necessary increases are: (1) increased exposure, (2) increase in damage awards in court verdicts, and (3) the increased general cost of living.

There were no protests to the staff recommendation. Interested parties appeared and suggested that smaller passenger carrying vessels should not be required to meet the minimum insurance requirements for larger vessels.

Finding

The Commission finds that the amounts set forth in the following general orders are reasonably necessary to provide adequate compensation for damage incurred through an accident involving any common carrier vessels and for-hire vessels.

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. 111-B as set forth in Appendix A to this order, applicable to all common carrier vessels is hereby adopted, to become effective March 1, 1969 and superseding General Order No. 111-A on that date.

2. General Order No. 121-A as set forth in Appendix B to this order, applicable to all for-hire vessels is hereby adopted, to become effective March 1, 1969 and superseding General Order No. 121 on that date.

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3. The Secretary shall cause a copy of this decision and its appendices to be mailed to each vessel common carrier and each for-hire vessel operator.

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

Dated at San Francisco, California, this
13th day of NOVEMBER, 1968.

President
William L. Symens, Jr.

Margate

W. P. M. Symens, Jr.
Commissioners

Commissioner William Symens, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

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

APPENDIX A

GENERAL ORDER NO. 111-B
(Supersedes General Order No. 111-A)

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. 74925 in Case No. 6429,
effective March 1, 1969.

(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.

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(App. A)

Kind of Equipment (Passenger Seating Capacity)	For bodily injuries to or death of 1 person	For bodily injuries to or death of one person)	For loss or dam- age, in any one accident to prop- erty of others (excluding cargo)	Minimum for Single Limit Coverage
Property only (no passengers)	\$100,000	\$ 300,000	\$50,000	\$ 350,000
1-99 passengers	100,000	500,000	50,000	550,000
100-199 passengers	100,000	550,000	50,000	600,000
200-299 passengers	100,000	600,000	50,000	650,000
300-399 passengers	100,000	650,000	50,000	700,000
400-499 passengers	100,000	700,000	50,000	750,000
500-999 passengers	100,000	1,000,000	50,000	1,000,000
1,000-1,999 passengers	100,000	1,500,000	50,000	1,500,000
2,000 or more passengers	100,000	2,000,000	50,000	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' written 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.

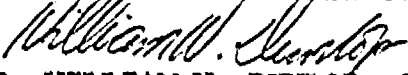
(6) When the protection is provided by an approved alternate plan or a plan of self-insurance, or includes such an approved plan or plan of self-insurance with other methods, approval of the Commission is required. Such approval shall be requested by a formal application in accordance with the Commission's 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,

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(App. A)

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 certification 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 WILLIAM W. DUNLOP, Secretary

APPENDIX B

GENERAL ORDER NO. 121-A
(Supersedes General Order No. 121)

PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA

RULES REQUIRING ALL FOR-HIRE VESSEL OPERATORS TO PROVIDE AND THEREAFTER CONTINUE IN EFFECT ADEQUATE PROTECTION AGAINST LIABILITY IMPOSED BY LAW UPON SUCH FOR-HIRE VESSEL OPERATORS FOR THE PAYMENT OF DAMAGES FOR PERSONAL BODILY INJURIES (INCLUDING DEATH RESULTING THEREFROM) AND DAMAGE TO OR DESTRUCTION OF PROPERTY.

Adopted by Decision No. 74925 in Case No. 7778,
effective March 1, 1969.

(1) Every operator of a "for-hire vessel," as defined in Section 4661 of the Public Utilities Code, shall provide and thereafter continue in effect, so long as he may be engaged in conducting for-hire vessel operations, adequate protection against liability imposed by law upon such operator 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 operator 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 one person) maximum of \$100,000 for bodily injuries to or death of one person)	For loss or dam- age, in one acci- dent, to property of others (excluding cargo)	Minimum For Single Limit Coverage
1- 6 passengers	\$100,000	\$300,000	\$50,000	\$350,000
7-16 passengers	100,000	350,000	50,000	400,000
17-22 passengers	100,000	400,000	50,000	450,000
23-49 passengers	100,000	450,000	50,000	500,000
50-99 passengers	100,000	500,000	50,000	550,000
100 or more passengers	100,000	550,000	50,000	600,000

(2) The amount of coverage to be provided by each operator 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 bodily injury 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, licensed 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 a protection is to be provided by the means set forth in subparagraphs (a), (b), (c), (d), and (f) of paragraph 3 hereof, a deductible 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 cancellable 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 in writing 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 plans 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 any for-hire vessel operator conducting operations pursuant to a permit or permits issued by this Commission under Chapter 4 of Division 2 of the Public Utilities Code. 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 WILLIAM W. DUNLOP, Secretary