

Decision No. 75222

ORIGINAL

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)

O R D E R

Underwriters at Lloyd's, London have petitioned for modification of General Order No. 100-E issued in Decision No. 74080 under which minimum acceptable limits of public liability and property damage protection for a wide variety of highway carriers have been substantially increased.

Paragraph 3 of the order in relevant part declares that the carrier shall "deposit with the Public Utilities Commission... 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..."

Petitioner refers to General Order 120 Series provisions applicable to commercial air operators allowing, in accordance with Section 5511 of the Public Utilities Code, the Commission to accept policies of insurance written by nonadmitted insurers subject to Section 1763 of the Insurance Code. Section 1763 of the Insurance Code provides that a surplus line broker may place insurance with

nonadmitted insurers only if such insurance cannot be procured from a majority of the insurers admitted for a particular class or classes of insurance.

Section 5511 is not applicable to the classes of carriers which are respondents in Case No. 8681. These respondents' insurance requirements are subject to the restriction in Sections 3632 and 5162 of the Public Utilities Code, that the insurance must be issued by a company licensed to write such insurance in the State.

Petitioner contends that by increasing the public liability and property damage minimum limits the Commission has placed a substantially greater demand on the already limited California licensed market and that a hardship has been created for highway carriers by requiring these higher limits and by this requirement pushing them into a restricted market in which such insurance can be found.

A similar situation was created by General Order No. 121 (insurance requirements imposed upon for-hire vessels); however, among the various ways of indicating that the insured has adequate protection on file with the Commission is one which provides "By evidence of insurance issued on behalf of Lloyd's of London by an insurance broker licensed as such in this state."

General Order No. 100-E cannot be amended as requested by petitioner inasmuch as it would be in violation of those sections of the Public Utilities Code under which the general order was issued and this request will be denied. However, it appears in the public interest that petitioner should be permitted to place evidence of insurance on file through a California licensed broker, and this order will so provide.

IT IS ORDERED that:

1. Petition for modification of General Order No. 100-E is denied.
2. Protection required by General Order No. 100-E may be provided by evidence of insurance issued on behalf of Lloyd's of London by an insurance broker licensed as such in this State.
3. The Secretary shall cause a copy of this decision to be served forthwith on the petitioner.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 21st
day of JANUARY, 1969.

William J. Moran, Jr.
President

Augustus

Fred P. Morrissey

Thomas Moran

Commissioners

Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.