

ORIGINAL

Decision No. 79498

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of North American)
 Van Lines, Inc., for authority)
 to be and act as a self-insurer)
 for property damage liability)
 and bodily injury liability)
 (including death and resulting)
 therefrom) in the amounts)
 provided in General Order)
 No. 100-F and for cargo)
 liability in the amount of)
 \$5,000.)

Application No. 53032
Filed November 29, 1971

O P I N I O N

North American Van Lines, Inc. requests an order of the Commission authorizing the corporation to be and act as a self-insurer with respect to personal bodily injuries, death or deaths, and damage to or destruction of property including property being transported for a shipper or consignee.

The company is a Delaware corporation operating primarily as a nationwide carrier of household goods. For the year 1970, its reported total operating revenues and net income amount to \$89,207,992 and \$3,670,027, respectively.

Applicant is subject to the Commission's General Order No. 100-F, which requires adequate protection against liability imposed by law for the payment of damages for personal bodily injuries (including death resulting therefrom)

in the amount of not less than \$100,000 on account of bodily injuries to, or death of, one person; and protection against total liability 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 \$300,000; and protection in the amount of not less than \$50,000 for one accident resulting in damage to or destruction of property other than property being transported for any shipper or consignee. In addition, the second paragraph of Section 5161 of the Household Goods Carriers Act requires cargo insurance in the amount of \$5,000.

The application shows that the carrier has been operating as a self-insurer under authority of the Interstate Commerce Commission with a current retention of \$100,000 per occurrence, that it has now, and will continue to have various layers of reinsurance with Lloyds of London and other insurance companies for individual losses and claims in excess of \$100,000, and that the reinsurance policies presently afford protection up to \$30,000,000 for any one occurrence.

After consideration the Commission finds that applicant has sufficient resources to enable it to satisfy obligations for public liability and property damage within the limits prescribed by General Order No. 100-F, together with \$5,000 cargo insurance, without affecting the stability and permanency of its business. On the basis of this finding we conclude that the application should be granted. A public hearing is not necessary.

Nothing in this decision is to be construed as granting any authority to applicant's subsidiary, NACAL, Inc., which company is not a party to this proceeding.

ORDER

IT IS ORDERED that North American Van Lines, Inc. may be and act as a self-insurer against liability imposed by law within the limits and provisions of the Commission's General Order No. 100-F, and also with respect to \$5,000 cargo insurance.

IT IS FURTHER ORDERED that every declaration of equivalent protection to the public shall contain a provision that such equivalent protection will remain in full force and effect until canceled. Said equivalent 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 Commission's San Francisco Office.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 21st day of DECEMBER, 1971.

[Signature]
Chairman

William J. ...

[Signature]

Verma L. Stuyvesant

[Signature]
Commissioners