

ORIGINAL

Decision No. 92258 SEP 16 1980

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own motion into the adequacy of the minimum public liability and property damage insurance requirements for passenger stage corporations and charter-party carriers of passengers as prescribed by General Orders 101-C and 115-B.

OII No. 35
(Filed December 19, 1978)

- Reverend Ollie Robinson, for Robinson Charter, respondent.
- A. Santamaria, for the Department of Transportation, City of Los Angeles, interested party.
- Marc E. Gottlieb, for the Commission staff.

O P I N I O N

This is an investigation on the Commission's own motion to determine whether the public interest requires the adoption by the Commission of a general order prescribing minimum amounts of public liability and property damage insurance to be carried by passenger stage corporations and charter-party carriers of passengers in excess of those now prescribed by Commission General Orders Nos. 101-C and 115-B (G.O. 101-C and G.O. 115-B).

All passenger stage corporations subject to the provisions of Chapter 1 and Chapter 5 of the Public Utilities Code and all charter-party carriers of passengers subject to the provisions of Chapter 8 of the Public Utilities Code were made respondents to this order. In all, about 900 carriers were served with the order.

Each passenger stage corporation and/or charter-party carrier was required to send to the Commission by February 1, 1979, a signed and dated letter containing the following information:

- "a. Name, address, telephone number and PSC or TCP number of carrier.
- "b. Name, address, telephone number and position of person signing the letter for the carrier.
- "c. Total number of PL&PD insurance claims filed against the carrier for incidents allegedly occurring from January 1, 1975 through December 31, 1978.
- "d. For each claim for recovery of an amount in excess of the applicable G.O. 101-C or G.O. 115-B, minimum insurance limits, state the applicable G.O. 101-C or G.O. 115-B, minimum insurance limits and provide a brief description of the nature of the claim, including date of alleged incidents, place, claimant's name and address, amount claimed, nature of alleged incident, and disposition (if any) to date, including amount of any judgment or settlement."

By Decision No. 89892 dated January 16, 1979, we extended the time to respond from February 1, 1979 to March 1, 1979.

Public hearings were held on July 2, 1980 in San Francisco and July 10, 1980, in Los Angeles.

At the San Francisco hearing the staff introduced Exhibit 1, which is a report setting forth the Commission's Transportation Division staff's study and analysis of the data furnished in accordance with the inquiries described above. At the Los Angeles hearing the staff introduced Exhibit 2, which is a study showing the estimated cost of increased insurance coverage due to hypothetical higher limits for randomly selected carriers. No other evidence was offered or introduced at either hearing.

Exhibit 1 contains conclusions as follows:

- "1. There is some evidence that the present insurance requirements, unchanged since their initial adoption on November 13, 1968, may be inadequate to protect the public, at least in a small number of cases.
- "2. The cost of additional insurance coverage under Hypothetical Higher Limits, Nos. 1 or 2 would be slight. We estimate it to be less than one percent of most carriers' total operating expense."

No recommendations were provided in Exhibit 1.

Very limited cross-examination was had in San Francisco and none in Los Angeles. Upon questioning by the Administrative Law Judge, the staff witness stated that it was his personal opinion there was insufficient evidence to make any recommendations as to either increasing or decreasing the insurance requirements and therefore, it would be his recommendation to maintain the status quo, that is, make no changes in the present General Orders.

The staff witness stated further that 800-900 carriers were served with the OII and that twelve insurance carriers were queried. Approximately 213 carriers responded to the directive in the OII. Five insurance companies sent in responses. The record does not show that claimants' attorneys or potential claimants were served or notified of this investigation.

The carriers' responses represented 7,427 claims for a four-year period. Only 12 claims exceeded the present minimum limits set forth in the General Orders.

Upon further questioning by the Administrative Law Judge, the staff witness stated that he had no data to show that there is a need to change the insurance minimums presently established in the General Orders.

Findings of Fact

1. The only evidence was that presented by the staff.
2. Only one carrier respondent made an appearance at the San Francisco hearing and only one member of the public appeared at the hearing in Los Angeles.
3. There is no evidence of record to support any changes being made in G.O. 101-C and G.O. 115-B.
4. There is no interest in nor demonstrated need to change the existing minimum liability insurance requirements.

Conclusion of Law

The order instituting investigation into this matter should be terminated.

O R D E R

IT IS ORDERED that the order instituting investigation into the adequacy of the minimum public liability and property damage insurance requirements for passenger stage corporations and charter-party carriers of passengers, as prescribed by General Orders Nos. 101-C and 115-B, is discontinued.

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

Dated SEP 16 1980 at San Francisco, California.

John E. Cuyper President
Deborah L. S. Ferguson
Michael W. Howell
Alfred J. Dedrick
Donald J. Jones Commissioners