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**ORIGINAL**Decision No. 92675 FEB 4 1981

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of MARK B. ANDERSON, doing bus- )  
iness as ADVENTURE TOURS, LTD., )  
for modification of Decision )  
No. 91207 in regards to com- )  
pliance with the insurance re- )  
quirements of General Order )  
No. 101-C, between San Diego and )  
and Big Bear, et al. )

Application No. 59976  
(Filed September 29, 1980)

O P I N I O N

Applicant holds Commission authority to operate as a passenger stage corporation between San Diego and Big Bear City granted by Decision No. 91207, dated January 8, 1980. That decision specifically requires Anderson to comply with the public liability and property damage insurance requirements applicable to passenger stage corporations as set forth by Commission General Order 101-C.

By this application, Anderson seeks exemption from the liability insurance requirements of General Order No. 101-C. Anderson alleges that insurance coverage required by G.O. 101-C would be unnecessary in view of the coverage carried by the charter companies whose equipment he plans to utilize in his operations, and that the added cost of Anderson insuring his operations would cause his authorized common carrier passenger stage service to be too expensive to operate.

Upon consideration, we do not find Anderson's arguments persuasive. The Commission requires passenger carriers to carry minimum levels of public liability and property damage insurance in order to protect their passengers, and other persons in the event of a loss of life or property. While it is true that the Commission's minimum insurance requirements for passenger stage corporations (G. O. 101-C) and for charter party carriers (G. O. 115-B) are similar, there is simply no assurance that the public will, in fact, receive such protection unless there is on file in the Commission's offices, a Certificate of Insurance of the appropriate type and levels of coverage, in the name of, and covering the activities of, the operating carrier in question. If we were to grant Anderson's request, we would be exposing the public to the risk that, at an inopportune moment, Anderson's bus could be involved in an accident with either no insurance coverage in effect (eg: through the unintentional utilization of an uninsured vehicle), or with coverage of questionable applicability and/or scope (eg: the insurance company which issued a charter party policy to carrier "A" may not have envisioned that it was also assuming exposure for losses incurred in the point-to-point per capita passenger stage operations conducted by Anderson). In either event, while we have found that public convenience and necessity exists for Anderson's passenger stage service between

San Diego and Big Bear City, we envisioned then, and do now, that Anderson will insure his operations in accordance with the applicable G.O. 101-C minimum requirements.

As for applicant's apprehension concerning the cost of securing insurance, we note that this is an expense of doing business which is required generally of passenger stage corporations in this state, and that the Commission regularly allows necessary and reasonable insurance expenses in its rate-setting proceedings. Applicant may be able to secure the necessary Certificate of Insurance filing [Commission Form 141 Rev.] at lower-than-usual cost by promising to the insurer to operate only certain vehicles, etc., and he should explore this possibility. But in any event, the insurance certificate required by Decision No. 91207 and G.O. 101-C must be received before passenger operations are conducted, and, if absolutely necessary, applicant may consult the staff of the Commission's Passenger Operation Branch for information and assistance regarding a possible increase in the proposed fares in order to enable and assure that these passenger stage operations are properly insured.

Conclusion of Law

Anderson should not be granted an exemption from the insurance requirements of G.O. 101-C. He should, however, be granted additional time to secure the necessary insurance, complete the

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filings required by Decision No. 91207, and commence operations. The instant application should be denied in all other respects.

ORDER

IT IS ORDERED that Mark B. Anderson, doing business as Adventure Tours, Ltd., is denied an exemption from the insurance coverage requirements of General Order No. 101-C. Anderson shall have 120 days from the effective date of this order in which to secure the necessary insurance, complete the filings required by Decision No. 91207, and commence operations. In all other respects, the instant application is denied.

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

Dated FEB 4 1981, at San Francisco, California.

John S. Byron  
President  
Philip D. Brock  
Samuel W. Smith

Commissioners