

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

RESOLUTION TL 18330
Transportation Division

R E S O L U T I O N

RESOLUTION AMENDING GENERAL ORDER 136-A TO RAISE CARGO
INSURANCE COVERAGE REQUIRED OF HOUSEHOLD GOODS CARRIERS

By Decision 87-01-066 in Case 5330, the Commission adopted General Order (G.O.) 136-A effective March 15, 1987. This general order contains the rules and regulations for household goods carriers on cargo insurance and rules concerning liability for loss and damage of used household goods and related property during course of transportation or storage in transit.

Senate Bill 210 (Chapter 259, Statutes 1989) effective January 1, 1990, among other things, amended Public Utilities Code Section 5161(c) to read:

The commission shall require all household goods carriers to procure and continue in effect during the life of the permit cargo insurance in the amount of twenty thousand dollars (\$20,000). However, upon a showing before the commission by a household goods carrier that a lesser amount of cargo insurance adequately protects the public, and a finding by the commission to that effect, the commission may authorize the carrier to procure and continue in effect during the life of the permit the lesser amount of insurance.

As a result, effective January 1, 1990, household goods carriers must maintain cargo insurance coverage in the amount of \$20,000 or more per shipment unless a lesser amount has been authorized by formal Commission action.

Paragraph 1 (page 1) of General Order 136-A states that household goods carriers are ordered to ". . . provide and continue in effect . . . adequate protection in the amount of not less than \$5,000 per shipment . . ."

Pursuant to Public Utilities Code Section 5161(c) as amended by Senate Bill 210, General Order 136-A should be amended to require household goods carriers to provide cargo insurance coverage of at least \$20,000 per shipment unless a lesser amount has been authorized by formal Commission action in response to an application filed in accordance with the Commission's Rules of Practice & Procedure.

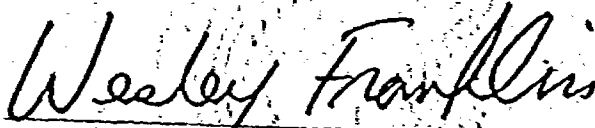
The Commission will also take this opportunity to standardize and make more efficient the cancellation procedures for cargo insurance requirements by requiring that cancellation of certificates be effected only by the insurance company's giving the required thirty (30) days written notice to the Commission on an authorized form.

THEREFORE, IT IS ORDERED that:

1. General Order 136-A is amended in the manner set forth in Appendix A attached. The General Order, as amended, shall be re-published and designated as General Order 136-B.
2. Copies of General Order 136-B shall be mailed to all household goods carriers engaged in intrastate transportation of used property under the provisions of Minimum Rate Tariff 4 series.
3. The Executive Director is hereby authorized to revise any insurance certificates, surety bonds or standard forms of endorsement and to devise and put into effect a blanket certificate of cargo insurance coverage appropriate for the implementation of the Commission's order set forth herein.
4. General Order 136-B shall become effective January 1, 1990.

I hereby certify that the foregoing Resolution was duly introduced, passed and adopted at a regular meeting of the Public Utilities Commission of the State of California, held on December 18, 1989. The following Commissioners voted favorably.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners


WESLEY FRANKLIN
Acting Executive Director

APPENDIX A

GENERAL ORDER 136-B
(Supersedes General Order 136-A)

PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA

RULES AND REGULATIONS FOR HOUSEHOLD GOODS CARRIERS ON
CARGO INSURANCE AND RULES CONCERNING LIABILITY FOR LOSS AND
DAMAGE OF USED HOUSEHOLD GOODS AND RELATED PROPERTY DURING
COURSE OF TRANSPORTATION OR STORAGE IN TRANSIT.

Adopted December 18, 1989, effective January 1, 1990
(Resolution No. TL 18330)

1. Every household goods carrier, shall provide and continue in effect, so long as it may be engaged in the transportation of used property under the provisions of Minimum Rate Tariff 4-C, adequate protection in the amount of not less than \$20,000 per shipment, unless a lesser amount has been authorized by formal Commission action, to compensate a shipper or consignee for any loss or damage to property for which the carrier may be held legally liable in connection with the transportation service performed under Minimum Rate Tariff 4-C.
2. In the event a carrier elects to assume responsibility for a shipment in an amount which exceeds the cargo insurance which it has obtained, the carrier must, prior to the commencement of its service, have in its possession written acknowledgement from its insurance carrier that sufficient additional cargo insurance has been obtained to cover the responsibility to be assumed.
3. The protection required under Section 1 hereof shall be evidenced by the deposit with the Public Utilities Commission, covering each vehicle used or to be used in conducting the service performed by each carrier, of a certificate of cargo insurance, issued by a company licensed to write such insurance in the State of California, or by nonadmitted insurers subject to Section 1763 of the Insurance Code, in lieu of the original policy if such a policy meets the rules promulgated therefor by the Commission, or of a bond of a surety company licensed to write surety bonds in the State of California.
4. The policy of cargo insurance under Section 1 hereof shall include the following provisions:
 - a. That the policy of insurance, or surety bond, shall not be cancelable on less than thirty (30) days' written notice on Commission authorized forms to the Public Utilities Commission, such notice to commence to run from the date notice is actually received at the office of the Commission.

- b. That the cargo insurance coverage for any shipment which is picked up prior to cancellation or termination of the policy shall continue to be applicable until the service provided under Minimum Rate Tariff 4-C for any such shipment has been completed.
- c. Automatic reinstatement of coverage following each loss so that there is no diminution of the coverage during the effective period of the policy.
- d. That insurance company shall pay, within the limits of the policy hereinafter provided, any shipper or consignee for all loss of or damage to property belonging to such shipper or consignee, and coming into possession of the carrier in connection with its transportation service, for which loss or damage the carrier may become legally liable, regardless of whether the carrier's facilities used in connection with the transportation of property hereby insured are specifically described in the policy or not. The liability of the insurance company extends to such losses or damages, whether occurring on the route or in the territory authorized to be served by the carrier or elsewhere.
Within the limits of liability hereinafter provided, it is further understood that no condition, provision, stipulation or limitation contained in the policy, or any other endorsement thereon or violation thereof, shall affect in any way the right of way shipper or consignee, or relieve the insurance company from liability for any claim for which the carrier may be held legally liable to compensate shippers or consignees, irrespective of the financial responsibility or lack thereof or insolvency or bankruptcy of the carrier. The carrier agrees to reimburse the insurance company for any payment made by the insurance company on account of any loss or damage involving a breach of the terms of the policy and for any payment that the insurance company would not have been obligated to make under the provisions of the policy.
- e. That the carrier shall notify the insurance company within a reasonable time, which shall not exceed thirty (30) days, of receipt of notice of each claim which may result in a liability in excess of any deductible provided in the policy, provided, however, that failure to timely file such notice shall not relieve the insurance company of its liability under subparagraph 4.d. above.
- f. That the insurance company shall have the right to adjust and settle any claim for loss or damage to a shipment which shall, or will likely, result in a liability in excess of the agreed deductible.
- g. That the cargo liability shall insure the carrier's liability for all physical losses or damage from external cause while being transported or held in storage-in-transit under Minimum Rate Tariff 4-C, except that policy may contain the exclusions set forth in paragraph 7 hereafter.
- h. That the policy of insurance or surety bond shall remain in full force and effect until canceled in the manner provided by Section 4.a. of this General Order.

5. The policy of cargo insurance required under Sections 1 and 2 hereof shall not contain a rule of coresponsibility or coinsurance which would reduce the liability of the carrier for loss or damage to an amount represented by the relationship that the declared value bears to the actual value of the shipment.
6. No carrier or any employee, agent, or representative thereof shall sell or offer to sell or procure for any shipper any kind of insurance under any type of policy covering loss or damage to a shipment or shipments of household goods during the course of transportation or storage-in-transit by such carrier, but this section shall not preclude such a carrier from procuring in its own name insurance covering its liability for such loss or damage as required under Sections 1 and 2 hereof.
7. The liability of a carrier shall be limited by the following exclusions:
 - a. No liability shall be provided for the condition or flavor of perishable articles.
 - b. No liability shall be provided on bills of exchange, bonds, bullion, precious metals, currency, deeds, documents, evidence of debt, credit cards, firearms (see Note 1), money, gems, jewelry, watches, precious stones, pearls, gold, silver, or platinum articles (see Note 2), stock certificates, securities, stamp collections, stamps--postage, revenue, or trading--or letters or packets of letters which are not specifically listed on the shipping document by description and value.

Note 1. Liability shall be provided for firearms legally acceptable under the Federal Gun Control Act of 1968, provided that shipper furnishes to the carrier the caliber, make, and serial number of such firearms and that such firearms are packed by carrier at shipper's expense at charges not less than those shown in Minimum Rate Tariff 4-C.

Note 2. Includes gold, silver, and platinum household articles such as silverware, coffee-service sets, trays, candlesticks, and dishes.
 - c. No liability shall be provided or loss or damage to articles of extraordinary value except under circumstances where each such article is specifically listed on the carrier's shipping document or inventory of the shipment and specifically designated as an article of extraordinary value and by listing the value thereof, and carrier is afforded the opportunity prior to pickup of the shipment to pack and otherwise provide adequate protection for such article (at carrier's published charges therefor) if the packing by shipper is determined by carrier to be inadequate protection for such article. As used herein, the term "articles of extraordinary value" refers to those articles tendered to a carrier for transportation which because of uniqueness or rarity have a value substantially in excess of the cost of newly manufactured items of substantially the same type and quality apart from such uniqueness or rarity, such as, but

not limited to, musical instruments or rare quality or historical significance; original manuscripts, first editions, or autographed copies of books; antique furniture; heirlooms; paintings; sculptures, and other works of art; and hobby collections and exhibits.

d. No liability shall be provided for loss or damage caused by or resulting from:

- (1) An act, omission, or order of shipper, including damage or breakage resulting from improper packing by shipper.
- (2) Insects, moths, vermin, ordinary wear and tear, or gradual deterioration.
- (3) Defect or inherent vice of the article, including susceptibility to damage because of atmospheric conditions such as temperature and humidity or change therein.
- (4) (I) Hostile or warlike action in time of peace or war including action in hindering, combating, or defending against an actual impending or expected attack (A) by any government or sovereign power, or by any authority maintaining or using military, naval, or air forces; or (B) by military, naval, or air forces; or (C) an agent of such government power, authority, or forces; (II) any weapon of war employing atomic fission or radioactive force whether in time of peace or war; (III) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating, or defending against such an occurrence, seizure, or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.

e. No liability shall be provided for the mechanical or electrical derangement of pianos, radios, phonographs, clocks, refrigerators, television sets, automatic washers, or other instruments or appliances unless evidenced by external damage to such equipment, or unless said articles or appliances are serviced as provided in subparagraph (1) below. The carrier reserves the right to inspect these articles or appliances to determine whether they are in good working order before accepting them for shipment. Carrier assumes no liability whatsoever for returning, refocusing, or other adjustments of television set unless such services were made necessary due to carrier's negligence.

- (1) Upon request of shipper, owner, or consignee of the goods carrier will, subject to subparagraph (2) below, service and unservice such articles as stoves, automatic washers and dryers at origin and destination. Such servicing and unservicing does not include removal or installation of articles secured to the premises or plumbing, electrical, or carpentry services necessary to disconnect, remove, connect, and install such articles and appliances.
- (2) If carrier does not possess the qualified personnel to properly service and unservice such articles or appliances carrier, upon request of shipper or consignee or a agent for them, shall engage third persons to

perform the servicing and unservicing. When third persons are engaged by the carrier to perform any service, the carrier will not assume responsibility for their activities or conduct; amount of their charges; nor for the quality or quantity of service furnished.

- (3) Except in instances where prior credit has been arranged all charges of the third persons must be paid directly by the shipper to said third persons.
- f. No liability shall be provided by virtue of any loss or damage caused as a result of any strike, lockout, labor disturbance, riot, civil commotion, or any act of any person or persons taking part in any such occurrence or disorder.
- g. No liability shall be provided for any loss or damage arising out of the breakage of china, glassware, bric-a-brac, or similar articles of a brittle or fragile nature unless packed by the carrier's employees or unless such breakage results from either the negligence of the carrier or from fire, lightning, theft, malicious damage, or by collision or overturning of the conveyance.
8. Liability of carrier and insurance company for loss or damage shall be subject to compliance by the shipper with applicable provisions of Item 92 of Minimum Rate Tariff 4-C (Claims for Loss or Damage).
9. a. Any carrier desiring to furnish equivalent protection to the public as a self-insurer shall file an application for authority to do so in accordance with the Commission's Rules of Practice and Procedure.
- b. Any carrier desiring authorization to provide and continue in effect cargo insurance in a lesser amount than \$20,000 per shipment shall file an application for authority to do so in accordance with the Commission's Rules of Practice and Procedure in which it shall show that such lesser amount adequately protects the public.
10. Upon cancellation, expiration, or suspension of a cargo insurance policy, surety bond, or equivalent protection under Section 9 hereof, the operative authority of any carrier to transport used property under the provisions of Minimum Rate Tariff 4-C shall stand suspended immediately upon the effective date of such cancellation, expiration, or suspension, until such time as a new surety bond, certificate of insurance, or equivalent protection is filed with the Commission.
11. No carrier shall transport any shipment of used household goods under the provisions of Minimum Rate Tariff 4-C on any public highway in the State during the suspension of its operating authority under Section 10 of this General Order.

12. The liability of a carrier for any loss and damage to property coming into its possession and for which it is held legally liable shall be based upon the value of the property declared by the shipper and shall be subject to the following provisions:
 - a. Shipments released to a value of 60 cents per pound per article for the actual weight of any article or articles in the shipment shall be subject to no less than the rates in Items 300, 310, 320, 330, 380, and 390 of Minimum Rate Tariff 4-C.
 - b. Shipments released to a declared lump-sum value for the entire shipment shall be subject to no less than the rates in Items 300, 310, 320, 330, 380, and 390 of Minimum Rate Tariff 4-C plus a valuation charge as provided in Item 136 for each \$100 or fraction thereof of the released value of the entire shipment.
 - c. For shipments moving subject to the rates in Items 300, 310, 380, and 390 of Minimum Rate Tariff 4-C if the value declared under (b) is less than \$1.25 times the actual weight (in pounds) of the shipment, such declaration will be ineffective and the shipment will be deemed instead to have been released to a declared lump-sum value equal to \$1.25 times the actual total weight (in pounds) of the shipment.
 - d. For shipments moving subject to no less than the rates in Items 320 and 330 of Minimum Rate Tariff 4-C, if the declared value under (b) is less than \$2,500, such declaration will be ineffective, and the shipment will be deemed instead to have been released to a declared lump-sum value of \$2,500.
13. The shipping document issued for any shipment accepted for transportation at released rates and charges established and maintained under authority of this order shall have printed in distinctive color, in bold-face type on the face thereof, a statement reading as follows:

LONG-DISTANCE MOVES

Unless the shipper expressly releases the shipment to a value of 60 cents per pound per article, the carrier's maximum liability for loss and damage shall be either the lump-sum value declared by the shipper or an amount equal to \$1.25 for each pound in weight in the shipment, whichever is greater.

HOURLY MOVES

Unless the shipper expressly releases the shipment to a value of 60 cents per pound per article, the carrier's maximum liability for loss and damage shall be either the lump-sum value declared by the shipper or the sum of \$2,500, whichever is greater.

The release of value must be entered in the following form directly below and immediately following the foregoing statement, and it must be completed only by the person signing it. (See exception in Section 14.)

Shipper hereby releases the entire shipment to a value not exceeding

(To be completed by the person signing below)

NOTICE-DISTANCE MOVES

The shipper signing this contract must insert in the space above, in his own handwriting, either his declaration of the actual value of the shipment, or the words "60 cents per pound per article". Otherwise, the shipment will be deemed released to a maximum value equal to \$1.25 times the weight of the shipment in pounds.

(Shipper)

(Date)

NOTICE-HOURLY MOVES

The shipper signing this contract must insert in the space above, in his own handwriting, either his declaration of the actual value of the shipment, which may not be less than \$2,500, or the words "60 cents per pound per article". Otherwise, the shipment will be deemed released to a maximum value of \$2,500.

(Shipper)

(Date)

14. Where the shipper is the employer or the actual owner of the household goods being transported and is responsible for all charges in connection with such a move, the shipper may instruct the motor carrier to release the shipment to either a value of 60 cents per pound per article or to a declared valuation of not less than \$2,500, in the instance of an hourly move or not less than \$1.25 times the weight of the shipment in the instance of a distance move either (a) by specification made on a purchase order, or (b) by issuing, in advance of the shipping date, appropriate letter of instructions to the carrier. In such instances, the motor carrier may incorporate the instructions by reference to the document in (a) or (b) above in shipping document in lieu of the personal signature and handwritten statement relating to released rates.

Approved and dated December 18, 1989, at San Francisco, California.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

By /S/WESLEY FRANKLIN
WESLEY FRANKLIN
Acting Executive Director

(END OF APPENDIX A)