

Public Utilities Commission of the  
State of California

RULES REQUIRING ALL FOR-HIRE VESSEL OPERATORS TO PROVIDE AND THEREAFTER CONTINUE IN EFFECT ADEQUATE PROTECTION AGAINST LIABILITY IMPOSED BY LAW UPON SUCH FOR-HIRE VESSEL OPERATORS FOR THE PAYMENT OF DAMAGES FOR PERSONAL BODILY INJURIES (INCLUDING DEATH RESULTING THEREFROM) AND DAMAGE TO OR DESTRUCTION OF PROPERTY.

Adopted by Decision No. 74925 in Case No. 7778,  
effective March 1, 1989.

(1) Every operator of a "for-hire vessel," as defined in Section 4661 of the Public Utilities Code, shall provide and thereafter continue in effect, so long as he may be engaged in conducting for-hire vessel operations, adequate protection against liability imposed by law upon such operator for the payment of damages for personal bodily injuries (including death resulting therefrom) and for damage to or destruction of property, other than property being transported by such operator for any shipper or consignee, whether the property of one or more than one claimant, in amounts not less than the amounts set forth in the following schedule.

Kind of Equipment (Passenger Seating Capacity)	For bodily injuries to or death of one person	For bodily injuries to or death of all persons injured or killed, in any one accident (subject to a maximum of \$100,000 for bodily injuries to or death of one person)		For loss or damage, in one acci- dent, to property of others (excluding cargo)	Minimum for Single Limit Coverage
1- 6 passengers ----	\$100,000	\$300,000	\$50,000		\$350,000
7-16 passengers ----	100,000	350,000	50,000		400,000
17-22 passengers ----	100,000	400,000	50,000		450,000
23-49 passengers ----	100,000	450,000	50,000		500,000
50-99 passengers ----	100,000	500,000	50,000		550,000
100 or more passengers	100,000	550,000	50,000		600,000

(2) The amount of coverage to be provided by each operator shall be determined in one of the following ways:

- (a) Where the policy, surety bond or contract covers more than one vessel, the coverage for all vessels shall be determined by the coverage applicable to that covered vessel which has the highest requirement.
- (b) Where each vessel is covered by a separate policy, bond or contract or by separate schedules each of which is applicable to a single vessel within a policy, bond or contract covering two or more vessels, then the minimum required coverage for each vessel shall be determined by its own individual requirement.

(3) The protection herein required shall be provided in one of the following ways:

- (a) By a policy or policies, of bodily injury liability insurance and property damage insurance issued by a company, or companies, licensed to write such insurance in the State of California.
  - (b) By a bond, or bonds, issued by a surety company, or companies, licensed to write surety bonds in the State of California.
  - (c) By evidence of insurance issued on behalf of Lloyd's of London by an insurance broker licensed as such in this State.
  - (d) By any other plan of protection for the public approved as hereinafter required.
  - (e) By a plan of self-insurance approved as hereinafter required.
  - (f) By a combination of two or more of the foregoing methods.
- (4) When a protection is to be provided by the means set forth in subparagraphs (a), (b), (c), (d), and (f) of paragraph 3 hereof, a deductible clause may be inserted. Where 5 per centum, or less, of the risk is made deductible, no special approval will be required. Where more than 5 per centum of the risk is made deductible, special approval under paragraph (6) of this general order shall be required.
- (5) The protection provided hereunder shall not be cancellable on less than thirty days' notice to the Public Utilities Commission, such notice to commence to run from the date the notice is actually received in writing at the San Francisco or Los Angeles offices of the Commission.
- (6) When the protection is provided by an approved alternate plan or a plan of self-insurance, or includes such an approved plan or plans of self-insurance with other methods, approval of the Commission is required. Such approval shall be requested by a formal application in accordance with the Commission's Rules of Practice and Procedure setting forth all the facts which shall be required by the Commission with respect thereto.
- (7) The cancellation or suspension of a policy of insurance or surety bond, or the impairment or destruction of any security or the cancellation or termination of any approved alternate plan, shall constitute good cause for suspension or revocation of the operating authority of any for-hire vessel operator conducting operations pursuant to a permit or permits issued by this Commission under Chapter 4 of Division 2 of the Public Utilities Code. No operation shall be conducted within the State of California unless a policy or certificate of insurance, certificate of self-insurance coverage, bond, or the other securities or approved alternate plans hereinabove specified, shall be in effect and on file with the Commission.

PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

By WILLIAM W. DUNLOP, *Secretary*