

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

**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 DUR-
ING COURSE OF TRANSPORTATION OR STORAGE IN TRANSIT.**

Adopted July 1, 1992, effective November 1, 1992
(Decision 92-05-028, 92-07-017 in 1.89-11-003)

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 Maximum Rate Tariff 4, 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 Maximum Rate Tariff 4.
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 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 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 Maximum Rate Tariff 4 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 any 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.
 - 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 Maximum Rate Tariff 4, except that policy may contain the exclusions set forth in paragraph 7.
 - 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.
5. The policy of cargo insurance required under Sections 1 and 2 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.
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 the following items, unless the item is specifically listed on the shipping document by description and value: 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.

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 more than those shown in Maximum Rate Tariff 4.

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 for 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) 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 of 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 un servicing 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 an 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 Maximum Rate Tariff 4 (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 Maximum Rate Tariff 4 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 Maximum Rate Tariff 4 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. Coverage of \$0.60 per pound per article shall be included in the rate without additional or separate charge.
 - b. Unless the shipper elects \$0.60 per pound per article, or some other value in his or her own handwriting, all shipments shall be released to actual cash value up to \$20,000.
 - c. Shipments released to a declared value in excess of \$0.60 per pound may be subject to a valuation charge at the rate specified by the carrier. If the carrier fails to specify a rate, the rate is \$0.00 (zero) per \$100 of valuation. All valuation charges may not exceed those provided in Item 136 of Maximum Rate Tariff 4 for each \$100 or fraction thereof of the declared shipment value.
 - d. Shipments may be released to full replacement value as provided by terms and rates in Item 136 of Maximum Rate Tariff 4.
13. Where the shipper is the employer of 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 greater than or less than \$20,000 either by (a) specification made on a purchase order, or (b) by issuing, in advance of the shipping date, an 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 the shipping document in lieu of the personal signature and handwritten statement.

Approved and dated July 1, 1992, at San Francisco, California.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

By NEAL J. SHULMAN
Executive Director