

**PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

RULES REQUIRING ALL PASSENGER STAGE CORPORATIONS SUBJECT TO THE PUBLIC UTILITIES CODE TO PROVIDE AND THEREAFTER CONTINUE IN EFFECT ADEQUATE PROTECTION AGAINST LIABILITY IMPOSED BY LAW UPON SUCH CARRIERS FOR THE PAYMENT OF DAMAGES FOR PERSONAL BODILY INJURIES (INCLUDING DEATH RESULTING THEREFROM) AND DAMAGE TO OR DESTRUCTION OF PROPERTY.

Adopted November 6, 1985. Effective November 19, 1985.
(Resolution PE-2149)

(1) Each passenger stage corporation, as defined in the Public Utilities Code, shall provide and thereafter continue in effect, so long as it may engage in conducting such operations, adequate protection against liability imposed by law upon such carriers 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 carrier 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:

<i>Vehicle Seating Capacity</i>	<i>Amount of Coverage</i>
Any vehicle with a seating capacity of 16 passengers or more	\$5,000,000
Any vehicle with a seating capacity of 8 passengers through 15 passengers, inclusive	\$1,500,000
Any vehicle with a seating capacity of 7 passengers or less	\$750,000

- (2) The protection herein required shall be provided in one of the following ways:
- (a) By a certificate or certificates of public liability insurance and property damage insurance in a form approved by the Commission, issued by a company, or companies, licensed to write such insurance in the State of California, or by nonadmitted insurers subject to Section 1763 of the Insurance Code.
 - (b) By an original bond, or bonds, issued by a surety company, or companies, permitted to write surety bonds in the State of California.
 - (c) By a certificate of insurance issued on behalf of Lloyd's of London by a special lines' surplus line 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.
- (3) The certificate of insurance or bond evidencing such protection

hereinabove required shall not be cancelable on less than thirty days' written notice to the Public Utilities Commission, such notice to commence to run from the date the notice is actually received at the office of the Commission.

(4) The Commission will give consideration to and may approve the application of a passenger stage corporation to qualify as a self-insurer provided such passenger stage corporation files an application with the Commission supported by a true and accurate statement of its financial condition and other evidence which will establish to the satisfaction of the Commission the ability of such passenger stage corporation to satisfy its obligations for public liability and property damage within the limits hereinabove prescribed, without affecting the stability and permanency of the business of such passenger stage corporation.

(5) The Commission will also consider applications for approval of other securities or agreements of indemnity and may approve any such applications if satisfied that the security or agreement of indemnity offered will afford the security for the protection of the public hereinabove contemplated.

(6) Any passenger stage corporation engaged in interstate or intrastate operations within the State of California, which is and becomes qualified as a self-insurer with the Interstate Commerce Commission in accordance with the laws of the United States applicable to self-insurance by motor carriers and the rules of the Interstate Commerce Commission promulgated thereunder, shall be exempt, so long as such qualification remains effective, from the foregoing provisions of this General Order. Proof of the existence and continuation of such exempt status shall be filed with the Commission annually. Such proof shall be made by affidavit of the carrier. Additional affidavits or other proof of such qualification shall be filed in such form and at such times as the Commission may require.

(7) Each passenger stage corporation desiring to become qualified as a self-insurer, or to have orders or certificates issued by the Interstate Commerce Commission authorizing self-insurance accepted by this Commission, or to have other securities or agreements of indemnity accepted in lieu of the bond or insurance hereinabove provided, shall make application therefore to this Commission stating all of the facts which shall be required by the Commission with respect thereto. If such application is approved, the passenger stage corporation, while such order of approval remains effective, shall be exempt from furnishing a certificate of insurance or bond hereinabove provided.

(8) Every insurance certificate, surety bond, or equivalent protection to the public shall contain a provision that such certificate, surety bond, or equivalent protection shall remain in full force and effect until cancelled in the manner provided by Section (3) of this General Order.

(9) The cancellation or suspension of a policy of insurance or surety

bond or the cancellation, suspension, or surrender of a certificate of self-insurance issued by this Commission or the Interstate Commerce Commission, or the impairment or destruction of any security, or the cancellation or termination or any agreement of indemnity, or the alteration (without first obtaining Commission authorization) of any agreement of indemnity, shall constitute good cause for suspension or revocation of the operating authority of the affected passenger stage corporation. No operation shall be conducted on any highway of the State of California unless a certificate of insurance, certificate of self-insurance coverage, bond, or the other securities or agreements of indemnity hereinabove specified, shall be in effect and on file with the Commission.

Approved and dated at San Francisco, California, this 6th day of November, 1985.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

By JOSEPH BODOVITZ
Executive Director

