PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

RULES AND REGULATIONS REQUIRING ALL HIGHWAY CARRIERS, FREIGHT FORWARDERS WHICH OPERATE MOTOR VEHICLES¹, HOUSEHOLD GOODS CARRIERS, HIGHWAY CARRIERS ENGAGED IN INTERSTATE OR FOREIGN TRANSPORTATION OF PROPERTY FOR COMPENSATION WHICH ARE EXEMPT FROM REGULATION BY THE INTERSTATE COMMERCE COMMISSION, AND INTEGRATED INTERMODAL SMALL PACKAGE CARRI-ERS, TO PROVIDE AND THEREAFTER CONTINUE IN EFFECT ADEQUATE PROTECTION AGAINST LIABILITY IMPOSED BY LAW UPON SUCH CARRI-ERS FOR THE PAYMENT OF DAMAGES FOR PERSONAL BODILY INJURIES (INCLUDING DEATH RESULTING THEREFROM) AND DAMAGE TO OR DE-STRUCTION OF PROPERTY.

Adopted December 17, 1993. Effective January 1, 1994. (Resolution No. 18602)

(1) Every highway carrier (except those subject to paragraphs (2) and/or (3) below), freight forwarder which operates motor vehicles, household goods carrier as defined in the Public Utilities Code, every highway carrier engaged in interstate or foreign transportation of property (except those subject to paragraphs (2) and/or (3) below) for compensation in or through California which is exempt from regulation by the Interstate Commerce Commission, and every Integrated Intermodal Small Package Carrier shall provide and thereafter continue in effect so long as they may be engaged 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) in the amount of not less than two hundred fifty thousand dollars (\$250,000) on account of bodily injuries to, or death of, one person; and protection against total liability of such carriers on account of bodily injuries to, or death of more than one person as a result of any one accident, but subject to the same limitation for each person, in the amount of not less than five hundred thousand dollars (\$500,000) and protection in the amount of not less than one hundred thousand dollars (\$100,000) for one accident resulting in 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; or a combined single limit in the amount of not less than \$600,000 on account of bodily injuries to, or death of, one or more persons and/or 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 any one accident.

¹ Air freight forwarders who provide ground pick-up and delivery service for shipments by federally authorized air carriers are not included in this definition. Federal Aviation Act, 49 U.S.C.A., Sections 1301 and 1305 (a).

(2) Every highway common carrier of petroleum products in bulk in tank vehicles, tank truck carrier and vacuum truck carrier, when transporting petroleum and/or petroleum products, including waste petroleum and waste petroleum products, and every highway carrier engaged in interstate or foreign transportation of petroleum and/or petroleum products, including waste petroleum and waste petroleum products, in bulk in tank vehicles for compensation in or through California which is exempt from regulation by the Interstate Commerce Commission, shall provide and thereafter continue in effect, so long as they may be engaged 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) in the amount of not less than five hundred thousand dollars (\$500,000) on account of bodily injuries to, or death of, one person; and protection against a total liability of such carriers on account of bodily injuries to, or death of more than one person as a result of any one accident, but subject to the same limitation for each person, in the amount of not less than one million dollars (\$1,000,000); and protection in an amount of not less than two hundred thousand dollars (\$200,000) for one accident resulting in 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; or a combined single limit in the amount of not less than \$1,200,000 on account of bodily injuries to, or death of, one or more person and/or 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 any one accident.

(3) Except as provided in paragraph (2) above, every highway carrier, freight forwarder which operates motor vehicles, household goods carrier, highway carrier engaged in interstate or foreign transportation of property for compensation which is exempt from regulation by the Interstate Commerce Commission, and every Integrated Intermodal Small Package Carrier which transports any hazardous material, as defined by Section 353 of the California Vehicle Code, shall provide and thereafter continue in effect, so long as they may be engaged in conducting such operations, adequate protection against liability imposed by law on such carriers for the payment of damages for personal injury or death, and damage to or destruction of property, in amounts of not less than the minimum levels of financial responsibility specified for carriers of hazardous materials by the United States Department of Transportation (U.S.D.O.T.) in Part 387 of Title 49 of the Code of Federal Regulations. The applicable minimum levels of financial responsibility required are as follows:

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| | Commodity transported ² | Combined Single Limit Coverage |
|--------------|--|-----------------------------------|
| (a) | Oil listed in 49 CFR 172.101; hazardous waste, hazardous materials and hazardous substances defined in 49 CFR 171.8 and listed in 49 CFR | |
| (b) | 172.101, but not mentioned in (c) or (d) Hazardous waste as defined in Section 25117 of | \$1,000,000 |
| (0) | the California Health and Safety Code and Title 22 of the California Administrative Code, but not | |
| (c) | mentioned in (c) or (d) Hazardous substances, as defined in 49 CFR | \$1,000,000 |
| | 171.8, or liquefied compressed gas or compressed gas, transported in cargo tanks, portable tanks, or hopper-type vehicles with capacities in excess of | |
| (d) | 3,500 water gallons Any quantity of Class A or B explosives; any quantity of poison gas (Poison A); or highway | \$5,000,000 |
| | route controlled quantity radioactive materials as defined in 49 CFR 173.403 | \$5,000,000 |
| | | |

(4) (a) The protection required under Section (1) and (2) 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 such highway carrier, freight forwarder which operates motor vehicles, household goods carrier, and Integrated Intermodal Small Package Carrier, of a Commission-authorized certificate of public liability and property damage 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 ³, or of an original bond of a surety company licensed to write surety bonds in the State of California.

(b) The protection required under Section (3) 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 such highway carrier, freight forwarder which operates motor vehicles, household goods carrier, and Integrated Intermodal Small Package Carrier, of Public Utilities Commission Form TL 844 Series, Certificate of Insurance, issued by a company licensed to write such insurance in the State of California, or by nonadmitted insurers subject

- Exceptions: (1) California intrastate carriers of bulk petroleum and petroleum products, including waste petroleum and petroleum products, are subject to Item (2) of this General Order and therefore are required to maintain minimum coverage of \$1,200,000 rather than \$1,000,000, as specified above.
 - (2) Carriers that transport commodities listed in (a), (b) or (c) but who are exempt because of vehicle size are required to maintain coverage of \$600,000 rather than \$1,000,000 or \$5,000,000, as specified above.

³ Integrated Intermodal Small Package Carriers may *not* file a certificate of insurance by a nonadmitted insurer; their evidence of insurance protection must be issued by a company licensed to write such insurance in the State of California.

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² Note: Items (a), (b) and (c) apply to vehicles with a gross vehicle weight rating of 10,000 pounds or more.

Item (d) applies to all vehicles.

to Section 1763 of the Insurance Code 3 , or of an original bond of a surety company licensed to write surety bonds in the State of California.

(5) The protection required under Sections (1), (2), and (3) hereof by every highway carrier engaged in interstate or foreign transportation of property in or through California who is exempt from regulation by the Interstate Commerce Commission, shall be evidenced by the filing and acceptance of a Commission authorized certificate of insurance or surety bond, or qualification as a self-insurer as may be authorized.

(6) A certificate of insurance, or surety bond, evidencing such protection, shall not be cancelable on less than thirty (30) days written notice to the Public Utilities Commission, such notice to commence to run from the date notice is actually received at the office of the Commission.

(7) Any highway carrier, freight forwarder, household goods carrier, or Integrated Intermodal Small Package Carrier, desiring to furnish equivalent protection to the public by means other than those prescribed in the foregoing sections, whether as a self-insurer or otherwise, shall file an application for authority to do so in accordance with the Commission's Rules of Practice and Procedure.

(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 canceled in the manner provided by Section (6) of this General Order.

(9) Upon cancellation of an insurance certificate or surety bond, or the cancellation of equivalent protection authorized by this Commission, the operative authority of any highway carrier, freight forwarder subject to this order or household goods carrier shall stand suspended immediately upon the effective date of such cancellation. The registration issued by this Commission to any highway carrier engaged in interstate or foreign transportation of property in or through California who is exempt from regulation by the Interstate Commerce Commission or to any Integrated Intermodal Small Package Carrier, shall stand suspended immediately upon the effective date of cancellation of any insurance certificate, surety bond or equivalent protection.

(10) The suspension of the operative authority of any highway common carrier, cement carrier or freight forwarder pursuant to Section (9) hereof shall suspend also the tariff filings of such carrier. Suspension supplements to tariffs so suspended are not required and shall not be filed.

(11) No carrier shall engage in any operation on any public highway in this State during the suspension of its operative authority or suspension of its registration.

(12) The operative right or rights held by any highway common carrier, cement carrier or freight forwarder shall be subject to revocation in the manner provided by Section 1070 of the Public Utilities

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Code whenever the operative right of such carrier has been suspended under the provisions of this General Order.

(13) No highway common carrier, cement carrier or freight forwarder whose operative rights have been suspended under the provisions of Section (9) of this General Order shall resume operations unless and until such carrier shall have filed an insurance certificate, surety bond or equivalent protection in effect at the time and which meets the standards set forth in this General Order. The operative rights of such complying carriers shall be reinstated from suspension upon the filing of an insurance certificate, surety bond or equivalent protection.

(14) In order to expedite the processing of insurance filings by the staff of the Public Utilities Commission, each insurance or bond filing made should contain the insured's California P.U.C. file "T" number, if known, in the upper right hand corner of the certificate.

Approved and dated at San Francisco, California, this 17th day of December, 1993.

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

By Neal J. Shulman Executive Director



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