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4/1/96

TITLE 150  
LEGISLATIVE RULES  
PUBLIC SERVICE COMMISSION

FILED

APR 1 4 28 PM '96

OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

SERIES 14  
RULES AND REGULATIONS  
GOVERNING THE FILING AND APPROVAL OF SURETY BONDS,  
POLICIES OF INSURANCE, QUALIFICATIONS AS A SELF-INSURER,  
OR OTHER SECURITIES AND AGREEMENTS BY MOTOR CARRIERS  
SUBJECT TO THE MOTOR CARRIER LAW, CHAPTER 24-A

§150-14-1. General.

1.1. Scope. -- Rules and regulations approved and prescribed to afford the reasonable protection of the traveling, shipping, and general public against injury, loss, damage, or default for which common and contract carriers by motor vehicle subject to the provisions of Chapter 24A of the Code of West Virginia, 1931, as amended, may be liable. These rules govern the filing and approval of surety bonds, policies of insurance, qualifications as a self-insurer, or other securities and agreements by motor carriers subject to the jurisdiction of the Public Service Commission pursuant to West Virginia Code §24-2-1.

1.2. Authority. -- W. Va. Code §24A-2-3, 24A-3-4, 24A-3-6 and 24A-5-5

1.3. Filing Date. -- April 1, 1996

1.4. Effective Date. --

§150-14-2. RULE I - Filing and Approval.

2.1. No motor carrier subject to the provisions of Chapter 24-A of the Code of West Virginia, 1931, as amended, shall operate any motor facility upon the highways of this State, and no certificate or permit shall be issued to a motor carrier, or shall remain in force unless and until there shall have been filed with and approved by the Commission a surety bond, policy of insurance (or certificate of insurance in lieu thereof), qualifications as a self-insurer, or other securities or agreements in not less than the amounts hereinafter prescribed, conditioned to pay, within the amount of such surety bond, policy of insurance (or certificate of insurance in lieu thereof), qualifications as a self-insurer, or other securities or agreements any final judgment recovered against such motor carrier for bodily injuries to or the death of any person resulting from the negligent operation, maintenance, ownership, or use of motor vehicles under such certificate or permit, or for loss or damage to property of others; nor shall any common carrier by motor vehicle subject to the provisions of said Chapter 24-A, as amended, operate any motor facility upon the highways of this State, nor shall any certificate be issued to

Chapter 24-A, as amended, operate any motor facility upon the highways of this State, nor shall any certificate be issued to such carrier, nor remain in force unless and until there shall have been filed with and approved by the Commission a surety bond, policy of insurance (or certificate of insurance in lieu thereof), qualifications as a self-insurer, or other securities or agreements in not less than the amounts hereinafter prescribed, conditioned upon such carrier making compensation to shippers or consignees for all property belonging to shippers or consignees and coming into the possession of such carrier in connection with its transportation service.

**\$150-14-3. RULE II - Minimum Amounts Prescribed.**

3.1. The minimum amounts referred to in Rule I are hereby prescribed as follows:

3.1.1. Motor carriers -- bodily injury liability  
-- property damage liability - (SEE APPENDIX (A))

3.1.2. Motor Common Carriers -- Cargo Liability  
- Security required to compensate shippers or consignees for loss of or damage to property belonging to shippers or consignees coming into the possession of motor common carriers in connection with their transportation service, (1) for loss or damage to property carried on any one motor vehicle -- ~~\$50,000~~ ~~\$20,000~~; (2) for loss of or damage to or aggregate of losses or damages of or to property occurring at any one time and place -- ~~\$100,000~~ ~~\$40,000~~: Provided, That this requirement shall not apply to the transportation of low-grade commodities; wrecked or disabled motor vehicles; coal; logs; or trash, rubbish or garbage.

**\$150-14-4. RULE III - Motor Vehicle Combinations.**

4.1. The following combinations will be regarded as one motor vehicle for purposes of these rules: a tractor and trailer or semi-trailer when the tractor is engaged solely in drawing the trailer or semi-trailer; and a truck and trailer when both together bear a single load.

**\$150-14-5. RULE IV - Qualifications as a Self-Insurer and Other Securities or Agreements.**

5.1. The Commission will give consideration to and will approve the application of a motor carrier to qualify as a self-insurer if such carrier furnishes 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 motor carrier to satisfy its obligations for bodily injury liability, property damage liability, or cargo liability without affecting the stability or permanency of the business of such motor carrier.

5.2. The Commission will also consider applications for approval of other securities or agreements and will approve any such applications if satisfied that the securities or agreement offered will afford the security for the protection of the public contemplated by paragraph (g), section 5, article 5, of the Motor Carrier Law.

**\$150-14-6.           RULE V - Bonds and Insurance Policies.**

6.1. Each certificate or policy of insurance or surety bond with corporate or individual sureties filed with the Commission for approval must be for not less than the full limits of liability required under these rules and regulations. In each case in which the surety on any such bond is a surety company, such company must be one approved, and authorized to do business in this State.

**\$150-14-7.           RULE VI - Forms and Procedures.**

7.1. Endorsements for policies of insurance, surety bonds, certificates of insurance and applications to qualify as a self-insurer, or for approval of other securities or agreements, and notices of cancellation must be in the forms prescribed and approved by the Commission.

7.2. Certificates of insurance, surety bonds, and notices of cancellation must be filed with the Commission in duplicate. Upon receipt and approval by the Commission, one copy will be stamped "received and approved" and returned to the home office of the insurance or surety company.

7.3. Insurance policies and surety bonds shall be written in the full and correct name of the individual, partnership, corporation, or other person to whom the certificate or permit is issued. In case of a partnership, all partners shall be named.

7.4. All certificates of insurance filed with this Commission will denote a definite expiration date.

7.5. Surety bonds, policies of insurance endorsements or certificates of insurance and other securities and agreements shall not be cancelled until after thirty (30) days' notice in writing by the insurance company, surety or sureties, motor carrier, or other party thereto, as the case may be, has first been given to the Commission at its office in Charleston, West Virginia, which period of thirty (30) days shall commence from the date such notice is actually received at the office of the Commission.

7.6. Motor carriers subject to the jurisdiction of this Commission are hereby required to maintain in effect at all times the security for the protection of the public prescribed by these rules.

**\$150-14-8. RULE VII - Policies of Insurance Amended.**

8.1. Policies of insurance as amended by the endorsements provided by these rules covering bodily injury liability, property damage liability, and cargo liability must be written by insurance companies legally authorized to transact business in this State.

**\$150-14-9. RULE VIII - Refusal to Accept or Revoke.**

9.1. The Commission may, at any time, refuse to accept or may revoke its approval of any surety bond, policy of insurance (or certificate of insurance in lieu thereof), qualification as a self-insurer, or other securities or agreements if, in its judgment, such security does not comply with these rules or, for any reason, fails to provide satisfactory or adequate protection for the public.

**\$150-14-10. FORMS.**

10.1. The Forms hereby prescribed shall be used by each common and contract carrier by motor vehicle of passengers and property subject to the provisions of Chapter 24A of the Code of West Virginia, 1931, as amended, in observing the rules and regulations herein prescribed, as follows:

10.1.1. P.S.C. W.VA. M.C. FORM 17 - Notice of Cancellation of Motor Carrier Policies of Insurance;

10.1.2. P.S.C. W.VA. M.C. FORM 18 - Notice of Cancellation of Motor Carrier Surety Bonds;

10.1.3. P.S.C. W.VA. M.C. FORM 21 - Application for Authority to Self-Insurer;

10.1.4. P.S.C. W.VA. M.C. FORM 22-A - Endorsement for Motor Carrier Policies of Insurance for Bodily Injury Liability and Property Damage Liability;

10.1.5. P.S.C. W.VA. M.C. FORM 23 - Endorsement for Motor Common Carrier Policies of Insurance for Cargo Liability;

10.1.6. P.S.C. W.VA. M.C. FORM 24-A - Certificate of Cancellation of Motor Carrier Policies of Insurance;

150CSR14

10.1.7. P.S.C. W.VA. M.C. FORM 25 - Certificate of Cancellation of Motor Carrier Policies of Insurance;

10.1.8. P.S.C. W.VA. M.C. FORM 45-A - Motor Common Carrier Cargo Liability Surety Bond; and

10.1.9. P.S.C. W.VA. M.C. FORM 46 - Motor Common Carrier Cargo Liability Surety Bond.

(P.S.C. W.VA. M.C. Forms may be obtained from the Motor Carrier Division of the Public Service Commission)

FORMS MAY BE OBTAINED FROM THE SECRETARY OF STATE'S OFFICE

Appendix A

Kind of equipment	Limit for bodily injuries to or death of one person	Limit for bodily injuries to or death of all persons injured or killed in any one accident (subject to a maximum of <u>\$50,000</u> for bodily injuries to or death of one person)	Limit for loss or damage in any one accident to property of others (excluding cargo)
<b>Passenger equipment</b> (seating capacity):			
5 passengers or less	<u>\$100,000</u> <del>\$ 50,000</del>	<u>\$200,000</u> <del>\$100,000</del>	\$25,000
6 to 12 passengers, inclusive ...	<u>200,000</u> <del>100,000</del>	<u>500,000</u> <del>250,000</del>	25,000
13 to 20 passengers, inclusive ...	<u>200,000</u> <del>100,000</del>	<u>600,000</u> <del>300,000</del>	50,000
21 to 30 passengers, inclusive ...	<u>200,000</u> <del>100,000</del>	<u>750,000</u> <del>375,000</del>	50,000
31 passengers, or more ...	<u>200,000</u> <del>100,000</del>	<u>900,000</u> <del>450,000</del>	75,000
<b>Freight equipment: All motor vehicles used in the transportation of property ...</b>			
	<u>200,000</u> <del>100,000</del>	<u>600,000</u> <del>300,000</del>	100,000

SUMMARY OF PROPOSED AMENDMENT

The amendment raises the minimum liability insurance requirements on cargo for motor carriers. The amendment also raises the liability minimum limits for death and bodily injury.

PUBLIC NOTICE

The Public Service Commission has initiated a general rulemaking to amend Series XIV of its rules to increase the minimum liability insurance on cargo for motor carriers in West Virginia to \$50,000. The amendment also raises the minimum liability insurance requirements for death and bodily injury. Anyone wishing to have a copy of the proposal should address inquiries to Howard M. Cunningham, Executive Secretary, Public Service Commission, P. O. Box 812, Charleston, WV 25323-0812. Anyone wishing to make comments on the proposed amendments should do so in writing to the Executive Secretary on or before May 1, 1996. Anyone wishing to make reply comments shall do so on or before May 16, 1996. Anyone desiring a hearing on the proposal must request a hearing in writing and state the grounds for the request before the close of the comment period.

P.S.C.  
Leg. Rule/Adm. Reg. 24-1  
Series XIV

IN THE MATTER OF Amendment to the Commission's  
Rules and Regulations Governing the Filing and Approval of  
Surety Bonds, Policies of Insurance, Qualifications as a Self-  
Insurer, or Other Securities and Agreements by Motor Carrier.

FISCAL NOTE

This is a fiscal note issued pursuant to W.Va. Code §§29A-3-4, 5, 9 and §24-1-7 relating to the Commission's Motor Carrier General Order No. 6-H.

I. OBJECTIVES OF THE RULE

The objective of this rulemaking is to amend Series XIV to modify the required liability insurance limits.

II. COSTS OF IMPLEMENTING THE PROPOSED RULE

There will be no significant implementation cost relating to the amendments to the rule for the State of West Virginia.

III. THE EFFECT THIS MEASURE WILL HAVE ON THE COSTS OR REVENUES OF STATE GOVERNMENT (Information required by fiscal notes for either House of the Legislature.)

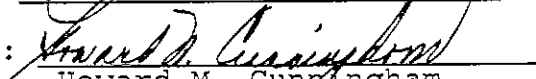
None.

IV. ECONOMIC IMPACT OF THE RULE ON THE STATE OR ITS RESIDENTS

The increased liability insurance requirements will protect residents who have property hauled by motor carriers or who are passengers by insuring that adequate liability insurance is held by motor carriers.

DATE: April 1, 1996 AGENCY: Public Service Commission

SIGNATURE OF AUTHORIZED REPRESENTATIVE:

  
Howard M. Cunningham  
Executive Secretary