

**WEST VIRGINIA**  
**SECRETARY OF STATE**  
KEN HECHLER  
**ADMINISTRATIVE LAW DIVISION**

Form #5

**FILED**

SEP 17 1 36 PM '97

OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

**NOTICE OF AGENCY ADOPTION OF A PROCEDURAL OR INTERPRETIVE RULE  
OR A LEGISLATIVE RULE EXEMPT FROM LEGISLATIVE REVIEW**

AGENCY: PUBLIC SERVICE COMMISSION TITLE NUMBER: 150

CITE AUTHORITY: West Virginia Code §§24-1-7, 24A-1-1 and 24A-2-3

RULE TYPE: PROCEDURAL \_\_\_\_\_ INTERPRETIVE \_\_\_\_\_

EXEMPT LEGISLATIVE RULE X  
CITE STATUTE(S) GRANTING EXEMPTION FROM LEGISLATIVE REVIEW

West Virginia Code §24-1-7

AMENDMENT TO AN EXISTING RULE: YES X, NO \_\_\_\_\_

IF YES, SERIES NUMBER OF RULE BEING AMENDED: 14

TITLE OF RULE BEING AMENDED: 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

IF NO, SERIES NUMBER OF NEW RULE BEING ADOPTED: \_\_\_\_\_

TITLE OF RULE BEING ADOPTED: \_\_\_\_\_

THE ABOVE RULE IS HEREBY ADOPTED AND FILED WITH THE SECRETARY OF STATE. THE

EFFECTIVE DATE OF THIS RULE IS November 20, 1997



Authorized Signature  
CHARLOTTE R. LANE, CHAIRMAN

\$4.20

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FISCAL NOTE

SEP 17 1 36 PM '97

P.S.C.  
Series 14

OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

IN THE MATTER of reference 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 Carriers subject to the Motor Carrier Law, Chapter 24-A, M.C. G.O. NO. 6-H.

**I. OBJECTIVES OF THE RULE**

The purpose of this rulemaking is to increase the insurance requirements for liability cargo damage for loss or damage to property carried on any one motor vehicle from \$20,000 to \$50,000, and for loss of or damage to or aggregate of losses or damages of or to property occurring at any one time and place from \$40,000 to \$100,000. The rules also increase the liability limits for death and bodily injury.

**II. COST OF IMPLEMENTING THE PROPOSED RULES:**

There will be no significant implementation cost relating to this rulemaking for the State of West Virginia. The Commission does not anticipate additional costs to be incurred as a result of the rulemaking.

**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.)**

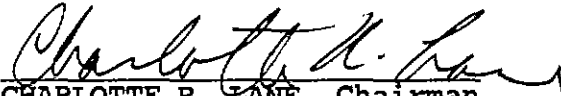
This rulemaking will have no effect on the costs or revenues of state government.

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

This rulemaking will have no significant economic impact on the state or its residents.

DATE: September 17, 1997 AGENCY: Public Service Commission

SIGNATURE OF AUTHORIZED REPRESENTATIVE:

  
CHARLOTTE R. LANE, Chairman

### SUMMARY OF THE RULE

The purpose of this rulemaking is to increase the insurance requirements for liability cargo damage for loss or damage to property carried on any one motor vehicle from \$20,000 to \$50,000, and for loss of or damage to or aggregate losses or damages of or to property occurring at any one time and place from \$40,000 to \$100,000. The rule also increases the liability limits for death and bodily injury.

STATEMENT OF CIRCUMSTANCES REQUIRING RULE

The purpose of this rulemaking is to modernize the minimum insurance limits of regulated motor carriers.

PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

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SEP 17 1 36 PM '97

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 17th day of September, 1997.

OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

M.C. GENERAL ORDER 6-H

IN THE MATTER OF Amending Rules and Regulations Governing the Filing and Approval of Surety Bonds, Policies of Insurance, Qualifications as Self-Insurer, or Other Securities and Agreements by Motor Carriers.

COMMISSION ORDER

By Order entered April 1, 1996, the Commission initiated a rulemaking to promulgate amendments to 150 C.S.R. Series 14 to increase the insurance requirements for liability cargo damage for loss or damage to property carried on any one motor vehicle from \$20,000 to \$50,000, and for loss of or damage to or aggregate of losses or damages of or to property occurring at any one time and place from \$40,000 to \$100,000. The Commission's April 1, 1996 order also indicated that liability limits for death and bodily injury would also be increased.

The Commission's April 1, 1996 order directed the Commission's Executive Secretary to provide public notice of the proposed rulemaking, by publication, once, in a newspaper, duly qualified by the Secretary of State published and of general circulation in nineteen (19) cities in the State.

In addition, the Commission's April 1, 1996 order established a thirty (30) day comment period, requiring comments to be filed with the Commission by May 1, 1996, with reply comments to be filed with the Commission by May 16, 1996. Parties seeking a hearing on the proposed amendments were directed to make a specific written request therefore before the close of the reply comment period.

Copies of the proof of publication of the notice of proposed rulemaking was filed with the Commission in accordance with the April 1, 1996 order.

On April 17, 1996, the West Virginia Manufactured Housing Construction and Safety Standards Board filed comments supporting the proposed amendments. No other comments, or reply comments were filed.

DISCUSSION

In light of the fact that comments were filed by only one person, generally supporting the proposed amendments, the Commission concludes that the proposed amendments to 150 C.S.R. Series 14 are in the public interest and should be adopted, as attached to this order, as final rules.

FINDINGS OF FACT

1. The Commission proposed certain amendments to 150 C.S.R. Series 14 by Order entered April 1, 1996, and provided the required public notice.
2. On April 17, 1996, the West Virginia Manufactured Housing Construction and Safety Standards Board filed comments supporting the proposed amendments.
3. No other comments, or reply comments were filed.

CONCLUSIONS OF LAW

The proposed amendments to 150 C.S.R. Series 14 are in the public interest and should be adopted, as attached to this order, as final rules.

ORDER

IT IS, THEREFORE, ORDERED that the proposed amendments to the Rules and Regulations Governing the Filing and Approval of Surety Bonds, Policies of Insurance, Qualifications as Self-Insurer, or Other Securities and Agreements by Motor Carriers, 150 C.S.R. Series 14, as attached hereto, are adopted by the Commission as final Commission rules to become effective November 20, 1997.

IT IS FURTHER ORDERED that the Commission's Executive Secretary file a copy of the Notice of Final Adoption of an Exempt Legislative Rule; a copy of the text of the final rule; a copy of the fiscal note, all attached, with the Office of the Secretary of State.

IT IS FURTHER ORDERED that the Commission's Executive Secretary serve a copy of this Order upon the West Virginia Manufactured Housing Construction and Safety Standards Board by United States First Class Mail and upon Commission Staff by hand delivery.

*Otis D. Casto*

OTIS D. CASTO, COMMISSIONER

*Richard D. Frum*

RICHARD D. FRUM, COMMISSIONER

*Charlotte R. Lane*

CHARLOTTE R. LANE, CHAIRMAN

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9/8/97

TITLE 150  
LEGISLATIVE RULES  
PUBLIC SERVICE COMMISSION

FILED

SEP 17 1 36 PM '97

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

OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

§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. -- ~~January 10, 1992~~ September 17, 1997

1.4. Effective Date. -- ~~March 10, 1992~~ November 20, 1997

§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 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;

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

KEN HECHLER  
Secretary of State

MARY P. RATLIFF  
Deputy Secretary of State

JAN CASTO  
Deputy Secretary of State

CATHERINE FREROTTE  
Executive Assistant

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STATE OF WEST VIRGINIA  
SECRETARY OF STATE

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Charleston, WV 25305-0770

WILLIAM H. HARRINGTON  
Chief of Staff

JUDY COOPER  
Director, Administrative Law

PENNEY BARKER  
Supervisor, Corporations

(Plus all the volunteer  
help we can get)

TO: RICHARD E HITT

AGENCY: PUBLIC SERVICE COMM

FROM: JUDY COOPER, DIRECTOR, ADMINISTRATIVE LAW DIVISION

DATE: September 22, 1997

OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

SEP 30 9 36 AM '97

FILED

THE ATTACHED RULE FILED BY YOUR AGENCY HAS BEEN ENTERED INTO OUR COMPUTER SYSTEM. PLEASE REVIEW, PROOF AND RETURN IT WITH ANY CORRECTIONS. IF THERE ARE NO CORRECTIONS, PLEASE SIGN THIS MEMO AND RETURN IT TO THIS OFFICE. YOU WILL BE SENT A FINAL VERSION OF THE RULE FOR YOUR RECORDS.

PLEASE RETURN EITHER THE CORRECTED RULE OR THIS FORM WITHIN TEN (10) WORKING DAYS OF THE DATE YOU RECEIVED THIS REQUEST. CALL IF YOU HAVE ANY QUESTIONS.

SERIES: 14 TITLE: 150 PUBLIC SERVICE COMM

\* THE ATTACHED RULE HAS BEEN REVIEWED AND IS CORRECT.

SIGNED: \_\_\_\_\_

TITLE OF PERSON SIGNING: \_\_\_\_\_

DATE: \_\_\_\_\_

\*\*\*\*\*

\* THE ATTACHED RULE HAS BEEN REVIEWED AND NEEDS CORRECTING. THE CORRECTIONS HAVE BEEN MARKED.

SIGNED: Richard E Hitt

TITLE OF PERSON SIGNING: General Counsel

DATE: September 26, 1997

NOTE: IF YOU ARE NOT THE PERSON WHO HANDLES THIS RULE, PLEASE FORWARD TO THE CORRECT PERSON.