

R2-36 SECURITY FOR THE PROTECTION OF THE PUBLIC.

(a) All common motor carriers, including exempt for-hire passenger carriers, shall obtain and keep in force and maintain on file at all times with the Division of Motor Vehicles public liability and property damage insurance issued by a company authorized to do business in North Carolina in amounts not less than the following:

SCHEDULE OF LIMITS			
Motor Carriers -- Bodily Injury Liability -- Property Damage Liability			
(1)	(2)	(3)	(4)
Kind of Equipment	Limit for bodily injuries to or death to one person	Limit for bodily injuries to or death of all persons injured or killed in any one accident (Subject to a maximum of \$100,000 for bodily injuries to or death of one person)	Limit for loss or damage in any one accident to property of others (excluding cargo)
Freight Equipment: All motor vehicles used in the transportation of household goods with a GVW of 26,000 lbs or less.	\$100,000	\$300,000	\$50,000
All motor vehicles used in the transportation of household goods with a GVW of 26,001lbs. or more shall maintain coverage in the amount of \$750,000 for public liability and property damage as required by federal law.			
<p>Passenger Equipment:</p> <p>The minimum levels of financial responsibility are as prescribed for motor carriers of passengers pursuant to the provisions of 49 U.S.C. 10927(a)(1), which are \$5,000,000 for vehicles with a seating capacity of 16 passengers or more and \$1,500,000 for vehicles with a seating capacity of 15 passengers or less. Provided, however, that a passenger carrier providing transportation of passengers exclusively for or under the control of a local Board of Education operating under the authority of the State, or the State Department of Education, or the United States Department of Defense, to the extent that said arm of the United States Government maintains local boards of education in the State of North Carolina, shall obtain and keep in force at all times public liability and property damage insurance in the minimum amounts provided for in 49 U.S.C. 10927(a)(1) or in a minimum amount not less than said limits as may be specified and approved by the local Board of Education or State Department of Education, or the United States Department of Defense contracting with said passenger carrier, provided, however, that in no event shall the minimum level of financial responsibility be less than \$1,000,000.00. Provided, further, that no bus company operating solely within the State of North Carolina and which is exempt from regulation under the provisions of G.S. 62-260(a)(7) shall be required to file with the Commission proof of the financial responsibility in excess of one million five hundred thousand dollars (\$1,500,000).</p>			

(b) The policy shall have attached thereto endorsement Form F and as evidence of such insurance there shall be filed with the Division of Motor Vehicles certificate of insurance Form E.

(c) In addition to the foregoing insurance, all common carriers of household goods and the motor carriers voluntarily participating in this rule pursuant to G.S. 62-152.2 shall maintain the following cargo and general liability insurance coverage to compensate shippers or consignees for loss of or damage to household goods belonging to shippers or consignees and coming into the possession of motor common carriers in connection with their transportation service, in not less than the following amounts: (1) Cargo insurance: for loss of or damage to household goods carried on any one motor vehicle - \$35,000; and for loss of or damage to or aggregate of losses or damages of or to household goods occurring at one at any one time and place - \$50,000. The policy shall have

attached thereof endorsement Form I or a facsimile thereof and as evidence of such insurance there shall be filed with the Division of Motor Vehicles certificate of insurance Form H or a facsimile thereof. (2) General liability insurance: for loss of or damage to property of shipper or consignee in the amount of \$50,000. A certificate of insurance proving such coverage shall be provided to the Commission (a) prior to being issued a certificate of exemption and (b) with the filing of each annual report.

(d) No insurance policy, endorsement, rider or certificate of insurance issued by any insurance company, covering the liability of any motor carrier authorized to operate in North Carolina under a certificate issued by the North Carolina Utilities Commission will be accepted by the Division of Motor Vehicles for filing, unless the same is signed by an officer of the insurance company or by a North Carolina resident agent of the insurance company duly licensed by the Insurance Commissioner of the State of North Carolina.

(e) To the end that the Commission or Division of Motor Vehicles may be advised of the risks and liabilities assumed by such motor carriers under such insurance policies, no deductible agreement between insurer and insured shall be deemed valid and enforceable against the insured unless a true and correct copy of such agreement, countersigned as required in subsection (d) hereof, shall have been first filed with and approved by the Commission.

(f) A common carrier or exempt for-hire passenger carrier may qualify as self-insurer, or be permitted to post bond in lieu of insurance upon application to and written approval by the Commission, but no such application will be approved unless it shall appear to the satisfaction of the Commission that the applicant is in such financial condition as to be able to pay personal injury and property damage claims arising out of motor vehicle accidents from its own assets without seriously affecting its financial stability and the continuation of its operations. The Division of Motor Vehicles will accept only surety companies, authorized to do business in North Carolina, as surety on bonds referred to in this rule.

(g) In all cases under this rule, actual filing must be made with the Division of Motor Vehicles before operations begin. Household goods carriers must also provide the certificate of insurance providing proof of general liability coverage in the amount of \$50,000 before operations begin. Letters or telegrams to the effect that insurance is in force will not be accepted in lieu of actual filing.

(h) Repealed

(NCUC Docket No. M-100, Sub 12, 10/5/67; NCUC Docket No. M-100, Sub 30, 5/25/70; NCUC Docket No. M-100, Sub 75, 10/27/77; NCUC Docket No. M-100, Sub 81, 3/1/79; NCUC Docket No. M-100, Sub 112, 7/1/86; NCUC Docket No. M-100, Sub 112, 11/12/86; NCUC Docket No. M-100, Sub 115, 2/23/88; NCUC Docket No. T-100, Sub 32, 8/25/95; T-100, Sub 49, 02/22/02; NCUC Docket No. T-100, Sub 49, 02/02/04.)