

City of Philadelphia



Council of the City of Philadelphia
Office of the Chief Clerk
Room 402, City Hall
Philadelphia

(Resolution No. 020174)

RESOLUTION

Authorizing City Council's Committee on Law and Government to conduct a full and comprehensive investigation of the desirability of offering mile-based insurance to drivers in the Commonwealth of Pennsylvania and directing the Committee to communicate its findings to the Mayor's Task Force on Automobile Insurance Rate Reduction and the Pennsylvania General Assembly.

WHEREAS, The Administration has begun an aggressive enforcement initiative designed to compel uninsured Philadelphia drivers to purchase appropriate automobile insurance or risk losing their vehicles through seizure; and

WHEREAS, The largest barrier to compliance by Philadelphia residents with the Commonwealth's mandatory automobile insurance law has been the unconscionably high cost of automobile insurance for Philadelphia drivers; and

WHEREAS, This Council has recently adopted several resolutions decrying the pricing practices of insurance carriers which charge Philadelphia drivers more than twice the rate charged to residents of the surrounding four counties and three times the rate of residents of the City of Pittsburgh; and

WHEREAS, Traditional dollars-per-year automobile insurance, which is priced without regard to the amount of vehicle miles driven, overcharges those drivers who drive the fewest miles and are often the least able to afford the higher costs of conventional coverage; and

WHEREAS, There is an affordable, cost-based alternative to traditional dollars-per-year insurance known as cents-per-mile automobile insurance, which allows drivers to exert direct control over the cost of their insurance by purchasing only the amount of insurance they need at a cents-per-mile rate; and

WHEREAS, The State of Texas became the first state to permit non-commercial drivers to purchase automobile insurance coverage by the mile on January 23, 2002,

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giving Texas drivers the choice of either the traditional fixed annual rate or the new cents-per-mile for their car's profile group; and

WHEREAS, Those choosing to buy insurance at the cents-per-mile rate can decide when to buy miles of protection in advance and how many miles to buy at a time to suit budget and convenience -- much like buying gasoline or pre-paid long distance telephone calling cards; and

WHEREAS, Philadelphia drivers may be able to realize substantial savings in their cost of automobile insurance under a cents-per-mile rating structure; now therefore

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That the authority be given to the Law and Government Committee to conduct a full and comprehensive investigation of the desirability of offering mile-based insurance to drivers in the Commonwealth of Pennsylvania. At the conclusion of its investigation, the Committee shall communicate its findings to the Mayor's Task Force on Automobile Insurance Rate Reduction and to the Pennsylvania General Assembly.

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CERTIFICATION: This is a true and correct copy of the original Resolution, Adopted by the Council of the City of Philadelphia on the fourteenth, March, 2002.

Anna C. Verna
PRESIDENT OF THE COUNCIL

Marie B. Hauser
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmembers Tasco, Mariano and DiCicco

Sponsored by: Councilmembers Tasco, Mariano, DiCicco, Ortiz, Nutter, Miller, Goode, Reynolds Brown, Rizzo, O'Neill, Longstreth, Blackwell, Krajewski and Kenney