

EXECUTIVE ORDER NO. 2 - 02**MAYOR'S TASK FORCE ON AUTOMOBILE INSURANCE**

WHEREAS, the cost of mandatory automobile insurance coverage is an issue of primary concern to residents of the City of Philadelphia; and

WHEREAS, the premiums paid by Philadelphia residents for automobile insurance coverage have, throughout the past decade, been substantially higher than premiums paid by residents of the surrounding counties for the same coverage; and

WHEREAS, Legislative reform, specifically the Motor Vehicle Financial Responsibility Act of 1990, successful anti-fraud initiatives, favorable market conditions and widespread vehicular safety enforcement programs, including Live Stop and truck impoundments, appear to significantly reduce the risk for companies engaging in the business of writing automobile insurance policies in Philadelphia; and

WHEREAS, the Philadelphia Police Department reports a considerable reduction in automobile theft over the past several years as a result of police strategies directed at reducing automobile theft and auto related crimes;

WHEREAS, the former Mayor's Auto Insurance Rate Reduction Task Force has made numerous recommendations to address high insurance premiums, including litigation, establishment of a public insurance counsel, public hearings, group plans for City residents and City employees, recommendations to the Commonwealth Insurance Commissioner and continuation of the Task Force, and

WHEREAS, it is incumbent upon the government of the City of Philadelphia to ensure that the citizens of Philadelphia are afforded a fair opportunity to purchase automobile insurance at reasonable rates;

NOW, THEREFORE, by the power vested in me by the Philadelphia Home Rule Charter, it is hereby ORDERED:

SECTION 1. ESTABLISHMENT OF TASK FORCE

The Mayor's Task Force on Automobile Insurance Rate Reduction is hereby established. The Task Force shall conduct a comprehensive investigation and review of all issues related to the availability of automobile insurance coverage in the City of Philadelphia. The term of the Task Force shall be for a period to end on January 31, 2004, unless the Mayor otherwise orders.

a) Members of the Task Force shall be appointed by the Mayor, and shall include: persons representing consumer interests; the insurance industry; citizen's interest groups; the business community; the automobile industry; the trial attorneys' bar; local government representatives; a financial analyst; a risk management/insurance expert; the Philadelphia Police

Department; the Philadelphia District Attorney's Office; and such other members as the Mayor shall deem appropriate. The Chairperson and Co-Chairperson of the Task Force shall be appointed by the Mayor. The members shall serve for terms expiring January 31, 2004, unless such terms are extended by the Mayor.

b) To enable the Task Force to conduct its work, appropriate staff support shall be provided by the Law Department, upon the request of the Task Force. Reimbursement of pre-approved expenses incurred by the Task Force shall be submitted to the Law Department for payment.

SECTION 2. POWERS AND DUTIES

a) The Task Force shall conduct an investigation to determine whether automobile insurance is readily available to City residents at premiums which are fair and reasonable. In carrying out this function, the Task Force shall review the rates; recent rate changes; loss experience; and market conditions for automobile insurance existing in the City of Philadelphia, in comparison to elsewhere in the Commonwealth of Pennsylvania or in other states. The Task Force shall determine whether any differences in rates are justified by the loss experience in the City as compared to those other jurisdictions.

b) To aid its fact-gathering function, and pursuant to the provisions of the Philadelphia Home Rule Charter, the Task Force shall have the power to conduct investigations and public hearings. The Task Force shall have the authority vested in the Executive and Administrative branch of City government under Section 8-409 of the Philadelphia Home Rule Charter to compel the attendance, interview, and/or testimony of any witness and the production of documents and other evidence relating to any and all matters properly before it and, for that purpose, it may issue subpoenas requiring the attendance, interview, and/or testimony of persons and the production of documents and other evidence and cause them to be served in any part of the City.

c) If the Task Force determines that automobile insurance is not readily available to City residents at premiums which are fair and reasonable compared with rates elsewhere, taking into account differences in loss experience, the Task Force shall propose any appropriate remedial action on behalf of the City's residents including litigation, establishment of a public insurance counsel, public hearings, group plans for city residents and city employees and recommendations to the Commonwealth Insurance Commissioner.

d) The Task Force shall also inquire into such other matters relating to automobile insurance as the Mayor may direct.

SECTION 3. COOPERATION

All City departments and agencies shall provide the Task Force with information and other assistance as may be necessary and appropriate for the Task Force to carry out its responsibilities.

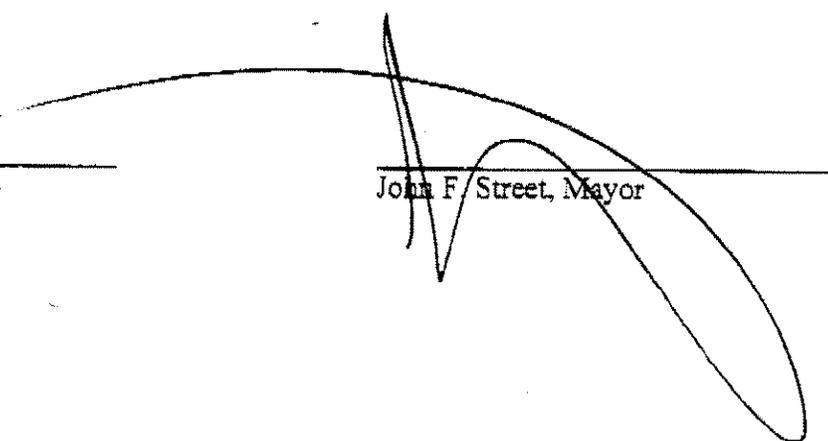
SECTION 4. COMPENSATION

Task Force members shall serve without compensation.

SECTION 5. EFFECTIVE DATE

This Order shall be effective immediately.

6/10/02
Date



John F. Street, Mayor