

NEWS



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MAYOR STREET ANNOUNCES DEEP AUTO INSURANCE RATE CUTS FOR 70% OF PHILADELPHIA DRIVERS

State Insurance Department Will Seek An Additional \$35 Million In Reductions

PHILADELPHIA — Mayor John F. Street today announced he has successfully achieved deep cuts in auto insurance rates for up to 70 percent of Philadelphia drivers. The announcement, made during a press conference at City Hall, is in response to the complaint the city filed with the state in May and is the latest step in the Mayor's efforts to reduce insurance rates for every driver in Philadelphia. Pennsylvania Insurance Commissioner Diane Koken and Councilmen Darrell Clarke and Rick Mariano — Co-chairs of the Mayor's Task Force on Automobile Insurance — joined with the Mayor to make the announcement.

"Today our efforts on behalf of Philadelphia motorists have paid off. These dramatic reductions in the cost of limited tort insurance policies, which could save the average limited tort policy holder hundreds of dollars annually, is an important step in our efforts to make sure that every driver in Philadelphia is insured," said Mayor Street today. "In addition, I have received a commitment from the state Insurance Commissioner and her staff that they will advocate for an additional \$35 million in reductions in auto rates for city drivers."

Mayor Street was able to achieve these substantial reductions following extensive work by the Mayor's Task Force on Automobile Insurance Rate Reduction and nearly a year of intense discussions between the City and the state Insurance Department. The Mayor met personally with Insurance Commissioner Diane Koken last month to continue to press the case for lower rates. The reductions may go into effect for many Philadelphia drivers as early as the end of the year.

The reductions announced today are due to increased savings for Philadelphia drivers selecting limited tort policies, estimated to total approximately \$20 million annually.

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Since he first took office in January 2000, Mayor Street has fought to lower rates for every Philadelphia driver. Through his efforts, there have been dramatic improvements in the factors that determine rates, including the removal of nearly 25,000 unregistered and uninsured cars from Philadelphia's streets, a 25 percent reduction in the number of stolen vehicles in the City since 1999, and reduction in the bodily injury loss ratio, and property damage loss ratio. Despite these improvements, rates Philadelphia drivers are charged remain stubbornly high.

“As much as today's reductions are good news, we cannot be satisfied with them,” stated Mayor Street. “Today's announcement represents substantial progress and will help make our city more competitive with other cities. In the coming weeks, I hope to announce additional measures that will drive these rates even lower.”

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