

RESOLUTION NO. 3555

A RESOLUTION OF THE CITY OF REDLANDS URGING THE COMMISSIONER OF INSURANCE OF THE STATE OF CALIFORNIA TO MAINTAIN AN EQUITABLE SYSTEM OF TERRITORIAL RATING USED BY AUTOMOBILE INSURERS

WHEREAS, the California Legislature has requested the Department of Insurance to study the subject of territorial rating systems used by automobile insurers; and

WHEREAS, territorial rating is a method of differentiating automobile insurance rates on the basis of claims loss costs, which differ from area to area; and

WHEREAS, the California Legislature has acted in recent years to defeat legislation which would abolish territorial rating and require a single rate be used by automobile insurers throughout the state; and

WHEREAS, a statewide average automobile insurance rate would not reduce the overall cost of insurance to the public, but would merely effect a reallocation of existing costs among various geographic areas; and

WHEREAS, throughout California, imposition of an average rate would increase premiums for two-thirds of California's motorists; and

WHEREAS, the residents of the City of Redlands would be burdened with increased premiums as a result of abolishing territorial rating; by some insurance industry estimates, said increase to approximate thirty-eight percent for a typical insured motorist in this area; and

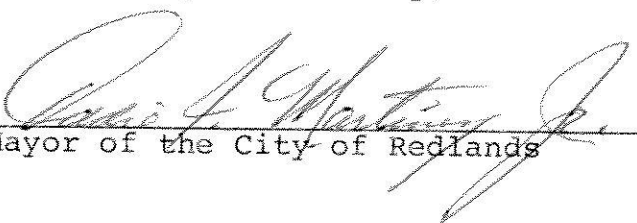
WHEREAS, the Department of Insurance has invited participation in the study by cities and counties on behalf of their affected residents;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Redlands hereby urges the Commissioner of Insurance to maintain, and recommend to the Legislature maintenance of, an equitable system of territorial rating by which loss costs of automobile insurers are allocated to those areas in which persons causing such losses reside; and

BE IT FURTHER RESOLVED, that the City Clerk of the City of Redlands shall forward a copy of this resolution to the Commissioner of Insurance for inclusion in the hearing record.

ADOPTED, SIGNED AND APPROVED this 6th day of February, 1979.

ATTEST:


Mayor of the City of Redlands


City Clerk



Date January 23, 1979

Chris C. Christiansen
City Manager
City of Redlands

Re: Territorial Rating

I would appreciate your taking the time to review the enclosed, and presenting the draft Resolution to the City Council for their consideration for adoption. If you prefer that I present this item at a regular Council meeting, I would be very pleased to oblige, so just let me know.

The Resolution, if adopted, should be addressed to:

Honorable Wesley J. Kinder
Insurance Commissioner
Department of Insurance
100 Van Ness Avenue, 17th Floor
San Francisco, Ca. 94102

Thanks for giving this item your personal attention.

A handwritten signature in dark ink, appearing to read "Jim", with a long horizontal flourish extending to the right.

JFC:nw
enc. (2)

JAMES F. CELANO
District Manager
Redlands