

RESOLUTION NO. 79-10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIDGECREST SUPPORTING THE PRESENT TERRITORIAL RATING SYSTEMS USED BY AUTOMOBILE INSURERS AND REQUESTING THAT THE COMMISSIONER OF INSURANCE MAINTAIN AND RECOMMEND TO THE LEGISLATURE MAINTENANCE OF AN EQUITABLE SYSTEM OF TERRITORIAL RATING

WHEREAS, the California Department of Insurance will hold public hearings for the purpose of considering whether to require automobile insurers to eliminate the use of geographic areas in rate-setting; and

WHEREAS, the California Insurance Commissioner has requested comment from concerned members of the public and local government entities concerning the subject of the hearings; and

WHEREAS, historically the practice of territorial rating by automobile insurers was established in recognition of public desire to eliminate inequitable distribution of insurance costs; and

WHEREAS, statistics demonstrate valid cost variations in providing insurance coverages between different geographic areas, including medical coverages which pay claims and vehicle repair claims; and

WHEREAS, according to some insurance industry estimates the elimination of territorial rating would result in a twenty-three percent increase in premium costs to typical insured residents of Ridgecrest; and

WHEREAS, the residents of Ridgecrest should not be forced to subsidize the insurance costs of residents of high risk areas.

NOW, THEREFORE, BE IT RESOLVED that the California Insurance Commissioner and California Department of Insurance are encouraged to continue to permit automobile insurers to consider geographic areas in the setting of rates in order to ensure the equitable allocation of insurance costs among all insureds in California; and

BE IT FURTHER RESOLVED, that a copy of this resolution be provided to the Commissioner of Insurance for inclusion in the hearing record and to Assemblyman Philip Wyman and Senator Walter Stiern.

APPROVED AND ADOPTED this 21st day of February, 1979, by the following vote:

AYES: Mayor Chieze, Councilmembers Grossman, Hockett, Karlberg and Smith.

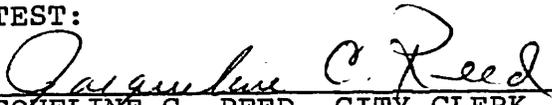
NOES: None.

ABSENT: None.



DON J. J. CHIEZE, MAYOR

ATTEST:



JACQUELINE C. REED, CITY CLERK