

Castello

Introduced by: Councilmember Henry, Middleton, Clarke, Bullocky, Schickler, Young

Prepared by: Department of Legislative Reference, Cohen, Stokes, Skard, Reisinger
Date: September 12, 2018

Referred to: **RESOLUTION** Committee

Also referred for recommendation and report to municipal agencies listed on reverse.

Julie
Bunell
DORSEY
Pinkett

CITY COUNCIL 18 - 0099R

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning



A Request for State Legislation - Auto Insurance Rates - Fair Rate Calculation

FOR the purpose of requesting the Honorable Chair and Members of the Baltimore City Senate and House Delegations to the 2019 Session of the Maryland General Assembly to introduce legislation to eliminate disparities in the amount charged for car insurance by removing location as a consideration in calculating the amount charged for auto insurance coverage.



****The introduction of an Ordinance or Resolution by Councilmembers at the request of any person, firm or organization is a courtesy extended by the Councilmembers and not an indication of their position.**

Agencies

Department of Public Works	Baltimore City Public School System
Department of Real Estate	Baltimore Development Corporation
Department of Recreation and Parks	City Solicitor
Department of Transportation	Comptroller's Office
Fire Department	Department of Audits
Health Department	Department of Finance
Mayor's Office of Employment Development	Department of General Services
Mayor's Office of Human Services	Department of Housing and Community Development
Mayor's Office of Information Technology	Department of Human Resources
Office of the Mayor	Department of Planning
Police Department	Other: _____
Other: _____	Other: _____
Other: _____	Other: _____
Environmental Control Board	Board of Estimates
Fire & Police Employees' Retirement System	Board of Ethics
Labor Commissioner	Board of Municipal and Zoning Appeals
Parking Authority Board	Comm. for Historical and Architectural Preservation
Planning Commission	Commission on Sustainability
Wage Commission	Employees' Retirement System
Other: _____	Other: _____
Other: _____	Other: _____
Other: _____	Other: _____

Boards and Commissions

Board of Estimates	Board of Ethics
Board of Municipal and Zoning Appeals	Board of Municipal and Zoning Appeals
Comm. for Historical and Architectural Preservation	Comm. for Historical and Architectural Preservation
Commission on Sustainability	Commission on Sustainability
Employees' Retirement System	Employees' Retirement System
Other: _____	Other: _____
Other: _____	Other: _____
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**CITY OF BALTIMORE
COUNCIL BILL 18-0099R
(Resolution)**

Introduced by: Councilmembers Henry, Middleton, Clarke, Bullock, Schleifer, President Young,
Councilmembers Cohen, Stokes, Sneed, Reisinger, Scott, Burnett, Dorsey, Pinkett, Costello
Introduced and adopted: September 17, 2018

A COUNCIL RESOLUTION CONCERNING

A Request for State Legislation - Auto Insurance Rates - Fair Rate Calculation

FOR the purpose of requesting the Honorable Chair and Members of the Baltimore City Senate and House Delegations to the 2019 Session of the Maryland General Assembly to introduce legislation to eliminate disparities in the amount charged for car insurance by removing location as a consideration in calculating the amount charged for auto insurance coverage.

Recitals

Residents of Baltimore City are well aware that historically the expense of owning a vehicle in the City far exceeds that of owning a vehicle in the surrounding counties, because rates for auto insurance coverage are 2 to 4 times higher than in the outlying areas. This is one of the reported factors, in addition to a high crime rate and a troubled school system, that contributes to urban flight.

While in Maryland efforts to pass State legislation that would equalize the auto insurance rates statewide have failed, legislatures in other states have addressed the problem with varying degrees of success. In 1988, California voters passed Proposition 103 that, in part, banned premiums based on zip codes, but in 2003 millions of residents of Oakland and San Francisco were still paying higher insurance premiums based simply on the neighborhoods where they lived. It was not until 2006 that California's Insurance Commissioner set out rules to implement the portion of Proposition 103 that banned the use of zip codes to set auto insurance rates.

In Michigan, the combined efforts of the House Democratic Caucus and the Michigan Legislative Black Caucus resulted in mass community education and legislative action to end unfair auto and homeowner's insurance rates. After conducting a study that showed that there was a 58% to 103% difference for the exact same coverage based upon consumers' zip codes, legislation was introduced in the House that would institute fairness in the insurance industry.

The Michigan legislation mandates, in part, that classifications for automobile insurance be based on 1 or more of the following factors, to be applied by an insurer on a uniform basis throughout the state:

- Either the age of the driver; the length of the driving experience; or the number of years licensed to operate a motor vehicle.
- Driver primacy, based on the proportionate use of each vehicle insured under the policy by individual drivers insured or to be insured.

EXPLANATION: Underlining indicates matter added by amendment.
~~Strike-out~~ indicates matter deleted by amendment.

Council Bill 18-0099R

- 1 • Average miles driven weekly, annually, or both.
- 2 • Type of use, such as business, farm, or pleasure use.
- 3 • Vehicle characteristics, features, and options, such as engine displacement, ability of
4 vehicle and its equipment to protect passengers from injury and other similar items,
5 including vehicle make and model.
- 6 • Daily or weekly commuting mileage.
- 7 • Number of cars insured by the insurer or number of licensed operators in the
8 household. However, number of licensed operators shall not be used as an indirect
9 measure of marital status.

10 For too long, Baltimore City drivers have paid an unfair and exorbitant price for automobile
11 insurance based solely on our zip codes. Relief from this discriminatory practice is well past due.

12 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the
13 Honorable Chair and Members of the Baltimore City Senate and House Delegations to the 2019
14 Session of the Maryland General Assembly are urged to introduce legislation to eliminate
15 disparities in the amount charged for car insurance by removing location as a consideration in
16 calculating the amount charged for auto insurance coverage.

17 **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Governor, the
18 Mayor, the Honorable Chair and Members of the Baltimore City Senate and House Delegations
19 to the 2019 Maryland General Assembly, the Mayor's Office of Government Relations, and the
20 Mayor's Legislative Liaison to the City Council.

INTRODUCTORY*
CITY OF BALTIMORE
COUNCIL BILL _____ R
(Resolution)

APPROVED FOR FORM STYLE, AND TEXTUAL SUFFICIENCY
9-12-18
DEPT LEGISLATIVE REFERENCE

Introduced by: Councilmember Henry

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning

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While in Maryland efforts to pass State legislation that would equalize the auto insurance rates statewide have failed, legislatures in other states have addressed the problem with varying degrees of success. In 1988, California voters passed Proposition 103 that, in part, banned premiums based on zip codes, but in 2003 millions of residents of Oakland and San Francisco were still paying higher insurance premiums based simply on the neighborhoods where they lived. It was not until 2006 that California's Insurance Commissioner set out rules to implement the portion of Proposition 103 that banned the use of zip codes to set auto insurance rates.

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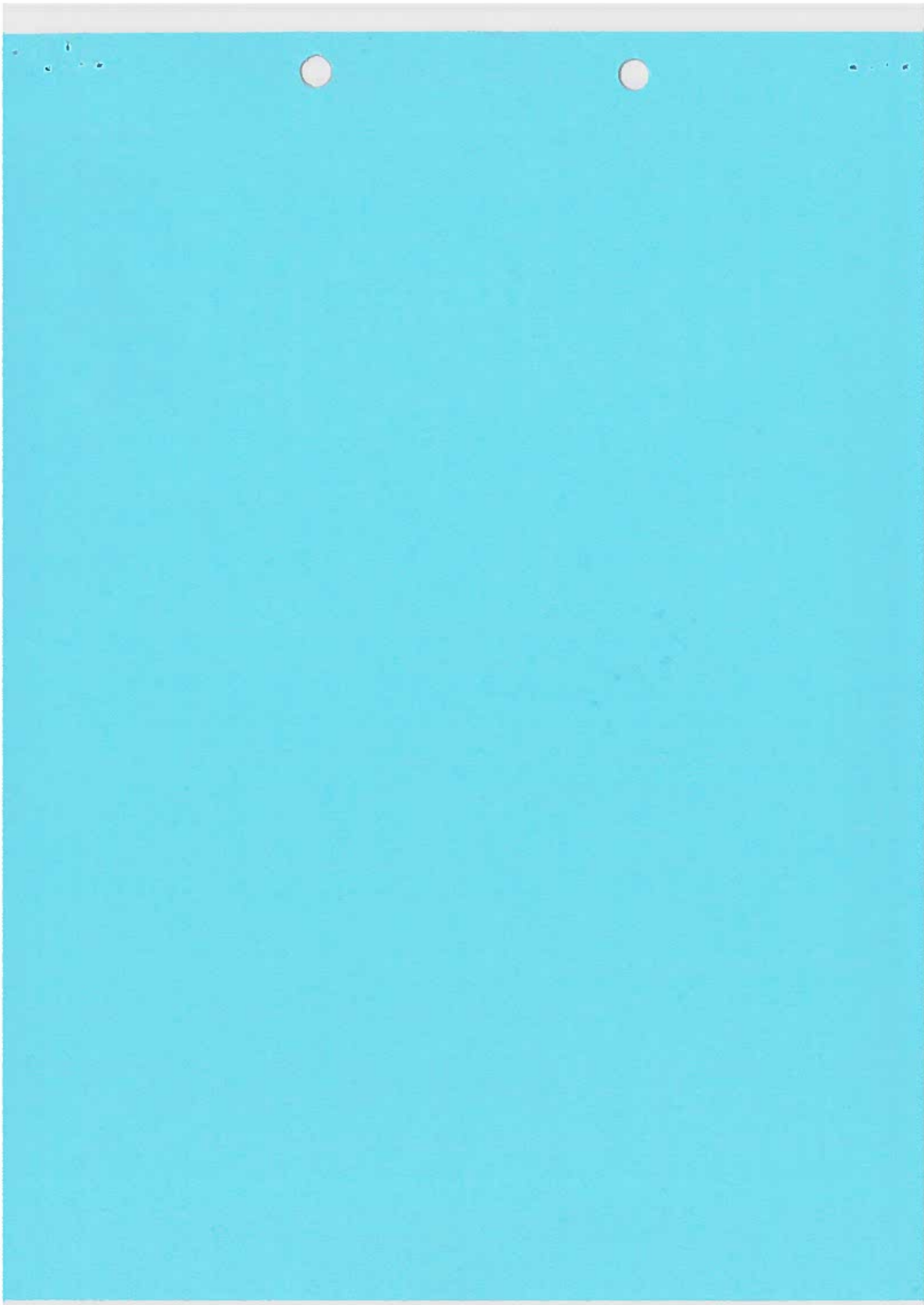
* WARNING: THIS IS AN UNOFFICIAL, INTRODUCTORY COPY OF THE BILL.
THE OFFICIAL COPY CONSIDERED BY THE CITY COUNCIL IS THE FIRST READER COPY.

- Driver primacy, based on the proportionate use of each vehicle insured under the policy by individual drivers insured or to be insured.
- Average miles driven weekly, annually, or both.
- Type of use, such as business, farm, or pleasure use.
- Vehicle characteristics, features, and options, such as engine displacement, ability or vehicle and its equipment to protect passengers from injury and other similar items, including vehicle make and model.
- Daily or weekly commuting mileage.
- Number of cars insured by the insurer or number of licensed operators in the household. However, number of licensed operators shall not be used as an indirect measure of marital status.

For too long, Baltimore City drivers have paid an unfair and exorbitant price for automobile insurance based solely on our zip codes. Relief from this discriminatory practice is well past due.

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AND BE IT FURTHER RESOLVED, That a copy of this Resolution be sent to the Governor, the Mayor, the Honorable Chair and Members of the Baltimore City Senate and House Delegations to the 2019 Maryland General Assembly, the Mayor's Office of Government Relations, and the Mayor's Legislative Liaison to the City Council.



ACTION BY THE CITY COUNCIL

SEP 17 2018
20

FIRST READING (INTRODUCTION) _____ 20 _____

PUBLIC HEARING HELD ON _____ 20 _____

COMMITTEE REPORT AS OF _____ 20 _____

_____ FAVORABLE _____ UNFAVORABLE _____ FAVORABLE AS AMENDED _____ WITHOUT RECOMMENDATION

Chair

COMMITTEE MEMBERS:

COMMITTEE MEMBERS:

SECOND READING: The Council's action being favorable (unfavorable), this City Council bill was (was not) ordered printed for Third Reading on:

_____ 20 _____

_____ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING _____ 20 _____

_____ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING (ENROLLED) _____ 20 _____

_____ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING (RE-ENROLLED) _____ 20 _____

WITHDRAWAL _____ 20 _____

There being no objections to the request for withdrawal, it was so ordered that this City Council Ordinance be withdrawn from the files of the City Council.

President

Chief Clerk