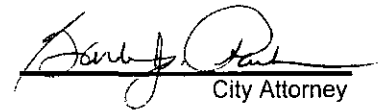


OAKLAND CITY COUNCIL


City Attorney

06 MAR 30 AM 11:39

RESOLUTION No. _____ C.M.S.

RESOLUTION SUPPORTING THE EFFORTS BY THE CALIFORNIA INSURANCE COMMISSIONER TO RECTIFY THE AUTO INSURANCE INDUSTRY'S PRACTICE OF ZIP CODE PROFILING AND HONOR THE VOTER-APPROVED PROVISIONS OF PROPOSITION 103

WHEREAS, Proposition 103, passed in 1988, imposed a 20 percent reduction in auto insurance rates and established strict insurance rate regulations while repealing the industry's protection from anti-trust laws; and

WHEREAS, in 2002, Oakland joined the cities of San Francisco and Los Angeles, as well as Consumers Union, AARP and other advocacy groups filing a petition to overturn regulations allowing insurers to use ZIP codes to "profile" drivers; and

WHEREAS, Oakland held the first public hearing where drivers with similar driving records, living on the opposite sides of the street, had demonstrably different insurance rates; and

WHEREAS, a recent study by Consumers Union found that insurance companies require good drivers living in California's predominately African American and Latino ZIP Codes to pay substantially more for insurance than good drivers in predominately white communities; and

WHEREAS, California's Insurance Commissioner recently called for new regulations, pursuant to Proposition 103, that would require insurers to base their auto rates primarily on a driver's driving record, not on the ZIP Code in which the driver resides; and

WHEREAS, insurance companies have fought provisions in Proposition 103 through the Legislature and the Courts since its passage without success; and

WHEREAS, auto insurance companies have remained a healthy and profitable business in California since the passage of Proposition 103 while reducing auto policy rates; now, therefore, be it

RESOLVED: With the concurrence of the Mayor, that by the adoption of this Resolution, the City of Oakland supports the efforts by the Insurance Commissioner to rectify the auto insurance industry's practice of ZIP code profiling and honor the voter-approved provisions of Proposition 103.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2006

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, REID, QUAN and
PRESIDENT DE LA FUENTE

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California