



THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, N.Y. 10007

EXECUTIVE ORDER NO. 32

September 6, 1996

MAYOR'S TASK FORCE ON INSURANCE RATES CHARGED TO NEW YORKERS

WHEREAS, under the direction of the Mayor and the Police Commissioner New York City has implemented new policing strategies designed to reduce automobile theft and auto related crimes in New York City, many of which strategies are set forth in "Police Strategy No. 6: Reducing Auto-Related Crime in New York;" and

WHEREAS, in part as a consequence of these policing strategies the level of automobile theft in New York City has declined since 1990, with particularly significant declines since 1993, culminating in a decline of approximately 50% in each of the City's boroughs since 1990; and

WHEREAS, it appears that despite these significant reductions in automobile theft, the residents of the City may not have experienced corresponding

reductions in the amount of their insurance premiums for comprehensive automobile insurance coverage; and

WHEREAS, the Mayor has directed the City's Consumer Affairs Commissioner to preliminarily examine whether the City's residents are realizing reductions on their insurance costs as a result of the NYPD's dramatic success in reducing automobile theft and related crimes in New York City; and

WHEREAS, the City's Consumer Affairs Commissioner has issued a preliminary report which, among other things, concludes that there is significant reason to believe that premiums presently paid by the City's residents for comprehensive automobile insurance do not reflect the dramatic reduction in the risk of auto theft that the City has experienced over the last five years; and

WHEREAS, the preliminary report suggests that the Mayor should direct a further examination into the levels of comprehensive automobile coverage charged to the City's residents to determine whether these rates are appropriate in light of the City's decreased risk of auto theft;

NOW, THEREFORE, by the power vested in me as Mayor of the City of New York, it hereby is ordered that:

Section 1. Establishment of Task Force.

There hereby is established a Task Force on Insurance Rates Charged to New Yorkers ("the Task Force"). The Task Force shall include as members the Consumer Affairs Commissioner, the Police Commissioner, the Corporation Counsel, and at least three other members appointed by the Mayor, who shall be residents of the City of New York, or shall maintain a place of business in the City of New York. The Mayor also may

appoint such ex officio members as he determines appropriate to assist the Task Force in fulfilling its mandate. The Consumer Affairs Commissioner shall serve as Chair. Each of the members shall serve without compensation.

Section 2. Powers and Duties.

a. The Task Force shall inquire into and determine whether the insurance rates for comprehensive automobile insurance charged to the City's residents are appropriate relative to the substantial and steady decreases in the risk of auto theft and related crime in New York City. In carrying out this function, the Task Force shall review the rates, and any recent rate changes, for insurance coverage charged to residents in other territories in New York State, or elsewhere, in light of the experience of those territories in addressing the problems of auto theft and related crimes, and compare those rates, or rate changes, to the rates charged to the City's residents. The Task Force further shall propose any appropriate remedial action on behalf of the City's residents in the event that the Task Force determines that the comprehensive automobile rates charged to New Yorkers do not reflect the recent decrease in the risk of car theft in New York City. The Task Force further is authorized to examine the rates charged to the City's residents for other forms of insurance where the Task Force determines that such rates may not reflect the actual risk of loss in the City, such as the rates charged to the City's residents for homeowner's insurance, and to inquire into such other matters as the Mayor may direct.

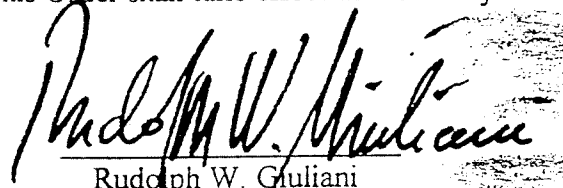
b. The Task Force shall review the preliminary report of the Commissioner of Consumer Affairs and finalize such report, and submit such other reports and recommendations regarding its inquiry to the Mayor as are appropriate within 60 days

of the date of this Order. The Task Force also may recommend any further inquiry that it deems appropriate.

c. The Commission may hold public hearings. In addition, the examinations and inquiries directed by this Order may be pursued by means of the issuance of subpoenas by the City's Department of Investigation in accordance with such Department's powers pursuant in Chapter 34 of the City Charter, to the extent the Department determines is appropriate.

Section 3. Agency Assistance and Cooperation. All City agencies shall cooperate in providing the Commission with information and other assistance as may be necessary and appropriate for the Commission to carry out its responsibilities.

Section 4. Effective Date. This Order shall take effect immediately.


Rudolph W. Giuliani
Mayor