

CLERK'S OFFICE

APPROVED

Date: 8-30-05

Submitted by: Chair of the Assembly at the
Request of the Mayor

Prepared by Transportation Inspection

For reading: August 9, 2005

ANCHORAGE, ALASKA

No. AO 2005- 102

1 AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE SECTION 11.20.100
2 TO REDUCE REGULATED VEHICLE MINIMUM LIABILITY INSURANCE
3 REQUIREMENTS.

4
5 THE ANCHORAGE ASSEMBLY ORDAINS:

6
7 **Section 1.** Anchorage Municipal Code section 11.20.100 is amended as follows (*the*
8 *remainder of the section is not affected, and therefore not set out*):

9
10 **11.20.100 Taxicabs – Insurance required.**

11 *** **

12
13 B. The insurance required by this section for vehicles with a manufacturer's
14 rated seating capacity (or, if a minivan, the seating capacity after seat
15 removal to accommodate baggage) of six persons or less shall provide
16 coverage as follows:

17
18 1. [COMBINED SINGLE LIMIT] For all bodily injury or property
19 damage arising from one accident: Bodily injury \$100,000.00 per
20 person, \$300,000.00 aggregate [\$500,000.00]; property damage
21 \$50,000.00 per occurrence; and

22
23 2. [COMBINED SINGLE LIMIT] For all bodily injury or property
24 damage in any one accident caused by an uninsured motorist:
25 Bodily injury \$100,000.00 aggregate; property damage \$50,000.00
26 per occurrence [\$300,000.00].

27
28 C. The insurance required by this section for vehicles with a manufacturer's
29 rated seating capacity (or, if a minivan, the seating capacity after seat
30 removal to accommodate baggage) of seven persons or more shall
31 provide coverage as follows:

32
33 1. [COMBINED SINGLE LIMIT] For all bodily injury or property
34 damage arising from one accident: Bodily injury \$100,000.00 per
35 person, \$700,000.00 aggregate; property damage \$50,000.00 per
36 occurrence [\$1,000,000.00]; and

37
38 2. [COMBINED SINGLE LIMIT] For all bodily injury or property
39 damage in any one accident caused by an uninsured motorist:

Bodily injury \$100,000.00 per person, \$300,000.00 aggregate;
property damage \$50,000.00 per occurrence [\$300,000.00].

*** *** ***

(AO No. 57-75; AO No. 78-177; AO No. 79-58; AO No. 80-19(S); AO No. 81-149;
AO No. 81-167; AO No. 85-87; AO No. 87-8; AO No. 87-126(S); AO No. 89-63;
AO No. 98-51(S), § 2, 5-4-99; AO No. 2000-107, § 2, 7-25-00)

State law references: Insurance, AS 28.22.

Section 2. This ordinance shall be effective immediately upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly this 28th day of
August, 2005.

Anna J. Fairclough
Chair

ATTEST:

Bonnie S. Gombert
Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- General Government

AO Number: 2005- 102

Title: AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE SECTION
 11.20.100 TO REDUCE REGULATED VEHICLE MINIMUM LIABILITY
 INSURANCE REQUIREMENTS

Sponsor: Brent G. Fraser, Transportation Inspector
 Preparing Agency: Transportation Inspection
 Others Impacted: None

CHANGES IN EXPENDITURES AND REVENUES:	(In Thousands of Dollars)				
	FY05	FY06	FY07	FY08	FY09
Operating Expenditures					
1000 Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -
2000 Non-Labor	-	-	-	-	-
3900 Contributions	-	-	-	-	-
4000 Debt Service	-	-	-	-	-
TOTAL DIRECT COSTS:	\$ -	\$ -	\$ -	\$ -	\$ -
Add: 6000 Charges from Others	\$ -	\$ -	\$ -	\$ -	\$ -
Less: 7000 Charges to Others	-	-	-	-	-
FUNCTION COST:	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES:	\$ -	\$ -	\$ -	\$ -	\$ -
CAPITAL:	\$ -	\$ -	\$ -	\$ -	\$ -
POSITIONS: FT/PT and Temp	0	0	0	0	0

PUBLIC SECTOR ECONOMIC EFFECTS:

Lowering the regulated vehicle minimum liability insurance requirements does not expose the Municipality of Anchorage, which is not liable for regulated vehicle-related injuries to persons or property. Thus, no impact upon the public sector is anticipated.

PRIVATE SECTOR ECONOMIC EFFECTS:

The current regulated vehicle liability insurance minimums established in Anchorage are the highest requirements in the nation. A reduction in insurance minimums is anticipated to reduce insurance premium rates. Additionally, more insurance carriers are expected to enter the Anchorage market, with the possibility of competition resulting in further premium reductions. The reduction of liability insurance minimums will lower the regulated vehicle industry's insurance costs while maintaining a reasonable measure of protection to the regulated vehicle occupants.



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 552 -2005

Meeting Date: August 9, 2005

1 **From:** Mayor

2

3 **Subject:** AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE
4 SECTION 11.20.100 TO REDUCE REGULATED VEHICLE MINIMUM
5 LIABILITY INSURANCE REQUIREMENTS.
6

7 The purpose of this memorandum is to request Assembly approval of a revision to
8 Anchorage Municipal Code section 11.20.100, reducing the minimum liability insurance
9 requirements for regulated vehicles (taxicabs, limousines, and vehicles for hire). Lowering
10 the minimum insurance requirements does not expose the Municipality of Anchorage,
11 which is not liable for regulated vehicle-related injuries to persons or property.
12

13 The current minimum insurance requirements in Anchorage are the highest requirements in
14 the nation. The situation is particularly problematic for taxicab owners since only one
15 insurance carrier is willing to write coverage for Anchorage taxicabs. In the absence of
16 competition, the insurance carrier's premium rates skyrocketed and its strict restrictions
17 regarding taxicab drivers eliminated many drivers from working. The expectation is
18 reduction of minimum insurance requirements will correspondingly reduce the premium
19 rates and may lead to further rate reductions through competition among insurance carriers
20 willing to enter the market if requirements are reduced.
21

22 There is no evidence of claims against insurers to justify retaining the existing minimum
23 requirements. In all other cities for which information has been obtained, the balance
24 between industry cost and customer coverage resulted in minimum insurance requirements
25 less than the current Anchorage requirements. The intent of the minimum insurance
26 requirement is not to cover all possible claims but rather to supply a reasonable measure of
27 protection to the regulated vehicle occupants.
28

29 THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE
30 REDUCING THE MINIMUM LIABILITY INSURANCE REQUIREMENTS FOR
31 REGULATED VEHICLES SET OUT IN ANCHORAGE MUNICIPAL CODE
32 SECTION 11.20.100.
33

34 Prepared by: Brent G. Fraser, Transportation Inspector
35 Concur: Denis C. LeBlanc, Municipal Manager
36 Respectfully submitted: Mark Begich, Mayor

Content Information

Content ID : 003098

Type: Ordinance - AO

AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE

Title: SECTION 11.20.100 TO REDUCE REGULATED VEHICLE MINIMUM LIABILITY INSURANCE REQUIREMENTS.

Author: fraserbg

Initiating Dept: TransportInspec

AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE

Description: SECTION 11.20.100 TO REDUCE REGULATED VEHICLE MINIMUM LIABILITY INSURANCE REQUIREMENTS.

Date Prepared: 7/22/05 11:28 AM

Director Name: Brent G. Fraser

Assembly Meeting Date MM/DD/YY: 8/9/05

Public Hearing Date MM/DD/YY: 8/23/05

M.O.A.
 2005 AUG - 1 AM 11:41
 CLERK'S OFFICE

Workflow History

Workflow Name	Action Date	Action	User	Security Group	Content ID
TransportInspec_SubWorkflow	7/22/05 11:33 AM	Approve	fraserbg	Public	003098
AllOrdinanceWorkflow	7/22/05 11:33 AM	Checkin	fraserbg	Public	003098
OMB_SubWorkflow	7/22/05 5:05 PM	Approve	mitsonjl	Public	003098
AllOrdinanceWorkflow	7/25/05 6:33 PM	Reject	fehlenrl	Public	003098
AllOrdinanceWorkflow	7/26/05 10:28 AM	Checkin	fraserbg	Public	003098
TransportInspec_SubWorkflow	7/26/05 10:29 AM	Approve	fraserbg	Public	003098
OMB_SubWorkflow	7/27/05 8:31 AM	Approve	mitsonjl	Public	003098
Legal_SubWorkflow	7/27/05 4:12 PM	Approve	fehlenrl	Public	003098
MuniManager_SubWorkflow	7/29/05 2:43 PM	Approve	leblancdc	Public	003098
MuniMgrCoord_SubWorkflow	7/29/05 3:20 PM	Approve	abbottmk	Public	003098