

**CITY OF DETROIT CHARTER REVISION COMMISSION**

**INSURANCE ASSISTANCE CHARTER REVISION**

**For consideration at Thursday, April 21, 2011 Commission Meeting**

**ARTICLE 9.**

**MISCELLANEOUS PROVISIONS**

**CHAPTER 8. INSURANCE ASSISTANCE**

**Sec. 9-801. City Sponsored Insurance Assistance**

To the extent allowed by law, the City of Detroit may establish an insurance system to provide, support, supplement or otherwise assist in the provision of auto and/or property insurance for City residents. Within sixty (60) days of approval of this Charter by voters, the Corporation Counsel shall advise the City Council and Mayor, in writing, on the legal requirements necessary to implement the insurance systems contemplated by this chapter and whether there exists any legal prohibition to implementing the insurance system.

No insurance system shall be implemented without the Mayor and City Council jointly commissioning a feasibility study that must demonstrate the ability of the City to fund, sustain and operate the insurance system in a fiscally responsible manner. Any insurance system implemented by the City shall be done pursuant to ordinance and in accordance with applicable laws.

City Council may, by majority vote, discontinue the operation of any insurance program implemented under this chapter.

**COMMENTARY:** This Charter recognizes that an essential component of a stable and thriving municipality is an affordable quality of life. Central to this is the ability to purchase auto and property insurance at reasonable and competitive rates. For decades citizens have been plagued by auto and home insurance rates at a level that fosters flight, compounds economic hardship and encourages improper and unsavory activity. In order to directly address this issue, this revised charter empowers the City of Detroit to institute an insurance system.