

Office of the Governor

PO BOX 004
TRENTON, NJ 08625

NEWS RELEASE

CONTACT: JAYNE O'CONNOR
609-777-2600
RELEASE: April 24, 1998

Governor's Weekly Radio Message Addresses Improving Auto Insurance Reform Legislation

Gov. Christie Whitman provides a weekly radio message to radio stations throughout the state. Each week, the message focuses on a different concern or event of interest to New Jerseyans.

This week Gov. Whitman discusses how she plans to improve the auto insurance bill that was passed by the Assembly earlier this week. In its present form, the bill does not meet the four conditions the the Governor and legislative leaders have stated are necessary for true auto insurance reform. It does not insure that all good drivers save money no matter where they live in the state. The bill would allow insurance companies to burden good drivers in some parts of the state with much higher rates than those in other parts of the state. When it reaches the Governor's desk, she plans to conditionally veto it, which would allow her to send it back to the Legislature with suggestions for improving it.

Attached is the text of the message.

The radio message can be accessed by calling the Governor's actuality line at 609-292-3249. It will be available today, beginning at noon, and will run through the weekend.

Governor's Weekly Radio Message April 24, 1998

As you know, the New Jersey General Assembly voted to approve an auto insurance reform bill earlier this week. The Assembly bill differs from the reform proposal that the State Senate approved a few weeks ago. Despite its many excellent provisions, the Assembly bill is flawed, and I want to explain how I intend to fix it.

The New Jersey Constitution gives the Governor the power of conditional veto, which means that I can send back a bill to the Legislature with suggestions for improving it. If both the Senate and Assembly approve of my changes, the bill becomes law.

I have called upon the Senate to pass the Assembly's auto insurance reform bill as soon as possible and send it to my desk. Once that happens, I will issue a conditional veto of that bill. I will ask that the bill be changed to conform with every one of the four conditions that the Assembly Speaker, the Senate President, and I have agreed must be part of any reform bill.

I have stated these four conditions again and again. They are 1) that the reform must guarantee savings, 2) that all good drivers must be able to save money no matter where they live, 3) that the reform must minimize cost shifts to the health insurance system, and 4) that it not encourage more lawsuits.

In its present form, the Assembly bill does not meet the condition that all good drivers save money, no matter where they live. The bill would allow insurance

companies to burden good drivers in some parts of our state with much higher rates than those in other parts of the state.

That isn't right. It isn't fair. And it goes against the promise I made last fall to fix our broken auto insurance system.

Real reform does not pit one area of the state against another. Real reform does not penalize good drivers because of where they happen to live.

I am proud that both houses of the Legislature have acted quickly and thoughtfully in this session to address the auto insurance problem that has plagued our state for 25 years. But rather than watch competing versions of a reform bill move back and forth between houses like a ping-pong ball, I believe the surest path to reform is through a conditional veto.

With my conditional veto, the Senate and the Assembly will have one document - the same document - on which to vote. That proposal will guarantee real savings on your car insurance bill. It will avoid shifting costs to health insurance or loading up the dockets with more lawsuits. And it will mean a better deal for those who deserve it: all the good drivers of our state.

The Senate has scheduled a vote on the Assembly bill for Monday. My conditional veto will soon follow. I hope you will join in calling upon your legislators to approve my conditional veto and give New Jersey our long-awaited reform.