

Office of the Governor

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NEWS RELEASE

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Governor's Weekly Radio Address Discusses Auto Insurance in Urban Enterprise Zones

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.

In this week's address, Governor Whitman talks about the creation of the Urban Enterprise Zone Program for Auto Insurance. When the Governor signed the historic auto insurance reform legislation into law in 1997, it provided drivers in 27 designated cities more options and better insurance coverage.

The program encourages insurance companies to voluntarily write more policies in our cities through the use of incentives. Since the program started, 36 insurance companies have increased their marked share in the Urban Enterprise Zones.

A copy of the text of the message is attached.

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.

The address is also available on our website at <http://www.state.nj.us/governor/radio2.html>.

Radio Message December 10 Auto Insurance in Urban Enterprise Zones

Hello, this is Governor Christie Whitman.

Whether it's commuting to and from work, driving kids to school, or just running errands, people today are more dependent on their cars than ever.

That's just as true in our cities as it is in the suburbs. Yet, in the past, drivers in our urban centers were having difficulty obtaining affordable car insurance.

People who were willing to pay for auto insurance had a hard time getting policies because insurance companies were underrepresented in many urban areas.

That was unfair. It was wrong. Being able to drive means having the freedom to accept a better job in the next town or to pick up your children from school - and our system was denying urban drivers of that freedom.

That's why I vowed to make auto insurance more accessible to our cities. It was not only a matter of equity but also one more way we could make our cities a better place to live, work, and raise a family.

With the auto insurance reform legislation I signed into law in 1997, we created the Urban Enterprise Zone Program for Auto Insurance and were able to give drivers in 27 designated cities more options and better insurance coverage.

Our program encourages insurance companies to voluntarily write more policies in our cities through the use of incentives. We've also set a goal for companies to achieve. We want insurers to have substantially the same market share in the Urban Enterprise Zones as they have in the rest of the state.

Companies not reaching those goals are assigned drivers to insure through the Urban Zone Assigned Risk program. That way we can be assured that all qualified applicants are getting the auto insurance coverage they're required to carry by law.

We've already seen great success. Since the program started, 36 insurance companies have increased their market share in the Urban Enterprise Zones. That translates into real market competition - and more choice and better service for urban drivers.

What's more, the program has resulted in over 56,000 additional urban drivers purchasing insurance for their cars. That represents a 12 percent increase in just two years.

The increase in coverage means qualified motorists who live in urban centers share the same benefits as drivers in the rest of the state. Broader insurance coverage also means better protection for all drivers.

Of course, that's only part of the good news. Our auto insurance reforms introduced new competition to the industry - and that led to an average 15 percent reduction in the cost of insuring a car. Today, families across New Jersey have better access to and are spending less for the insurance coverage they need.

That makes New Jersey a better place to live, work, and raise a family - and a more affordable place to drive.

Thank you. Drive safely, and have a great week.

