

# The Star-Ledger/**Eagleton-Rutgers Poll**

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## **AUTO INSURANCE: THE ISSUE THAT DOESN'T GO AWAY**

When James McGreevey first ran for governor in 1997, auto insurance reform was one of the key issues he used to nearly unseat incumbent Christie Whitman. And while more residents today are satisfied with their auto policies than were six years ago, a sizable number have experienced rising premiums in the past year.

There is a clear divide in New Jersey over satisfaction with auto insurance according to the latest *Star-Ledger/Eagleton-Rutgers Poll*. About half of New Jersey drivers (49%) are satisfied with the cost and coverage provided by their current auto policies, compared to half (48%) who say they are not satisfied. When McGreevey mounted his first gubernatorial bid in 1997, only 34 percent of the state's drivers were satisfied with their auto insurance, while 65 percent were dissatisfied.

"When it comes to the issue of auto insurance reform, McGreevey's situation is not as precarious as Whitman's was six years ago," commented Patrick Murray, associate director of the poll. "However, with more than two in five drivers reporting premium hikes in the past year, there are warning signs on the horizon."

New Jersey has the second highest average auto insurance costs in the country. In the current poll, 42 percent of New Jersey drivers report being hit with rate increases in the past year. During the same period, 51 percent say their rates stayed the same and 5 percent say they went down.

**The Star-Ledger/Eagleton-Rutgers Poll • Eagleton Institute of Politics**

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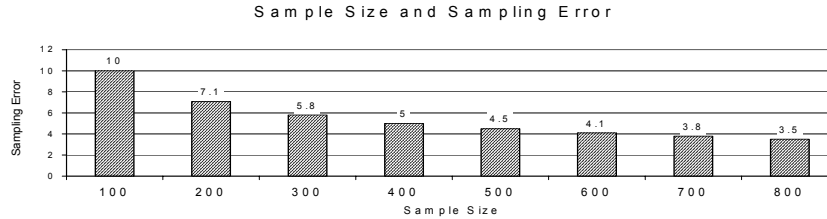
The governor has encouraged drivers to reduce the amount of coverage they carry to reduce costs. However, some drivers had already taken this advice. Nearly 1-in-5 (19%) have reduced their coverage in the past year in order to lower their premiums. A similar number (17%) say they have been shopping around for a different auto insurance provider.

In addition to cost, one of the key concerns for many policy holders – especially those with accidents and infractions on their driving records – is the threat of being denied renewal for their current auto policy. The poll found that 4 percent of New Jersey drivers report being dropped by their insurance company in the past year. And among all those looking for a new auto policy in the past year, nearly half (44%) have had trouble finding a provider.

The latest *Star-Ledger/Eagleton-Rutgers* Poll, which was conducted by telephone between January 30 and February 2 with a scientific sample of 401 New Jersey adults. The results in this release are based on interviews with a sub-sample of 366 drivers. The associated margin of sampling error is  $\pm 5$  percentage points.

**BACKGROUND MEMO – RELEASE (EP142-5) February 14, 2003**

The latest *Star-Ledger/Eagleton-Rutgers* Poll was conducted by telephone from January 30 to February 2 with a scientifically selected random sample of 401 New Jersey adults. The figures in this release are based on a subset of 366 New Jersey residents currently covered by an auto insurance policy. All surveys are subject to sampling error, which is the expected probable difference between interviewing everyone in a population versus a scientific sampling drawn from that population. The sampling error for 366 is  $\pm 5$  percent, at a 95 percent confidence interval. Thus if 50 percent of New Jersey residents were found to be less likely to agree with a statement, one would be 95 percent sure that the true figure would be between 45 and 55 percent ( $50 \pm 5$ ) had all New Jersey residents been interviewed, rather than just a sample. Sampling error increases as the sample size decreases, so statements based on various population subgroups, such as separate figures reported for insured residents, are subject to more error than are statements based on the total sample. The following chart shows the relationship between sample size and sampling error.



Sampling error does not take into account other sources of variation inherent in public opinion studies, such as non-response, question wording or context effects. The verbatim wording of all questions asked is reproduced in this background memo. The sample has been stratified based on county and the data have been weighted on age and education to insure an accurate proportional representation of the state. The questions referred to in this release are as follows:

“Are you currently covered by auto insurance?” [A1]

	<u>Yes</u>	<u>No</u>	<u>Total</u>	<u>(n)</u>
February 2003	89%	11%	100%	(401)

[ASKED OF THOSE WITH CAR INSURANCE:]

“Thinking about the cost and coverage of your auto insurance, overall are you very satisfied, somewhat satisfied, not too satisfied, or not at all satisfied with your auto insurance?” [A2]

	<u>Very satisfied</u>	<u>Somewhat satisfied</u>	<u>Not too satisfied</u>	<u>Not at all satisfied</u>	<u>DK/Refused</u>	<u>Total</u>	<u>(n)</u>
February 2003 Drivers	16%	33%	20%	28%	2%	99%	(366)
<u>Auto rates in past year</u>							
--Gone up	4	27	21	47	--	99	(172)
--Not gone up	26	38	20	14	2	100	(186)
<u>PAST SURVEYS</u>							
--February 1997	12	22	20	45	1	100	(716)

[ASKED OF THOSE WITH CAR INSURANCE:]

“Over the last twelve months, have your auto insurance rates gone up, down, or stayed the same?” [A3]

	<u>Gone up</u>	<u>Gone down</u>	<u>Stayed the same</u>	<u>DK/Refused</u>	<u>Total</u>	<u>(n)</u>
February 2003 Drivers	42%	5%	51%	2%	100%	(366)

**[ASKED OF THOSE WITH CAR INSURANCE:]**

“And in the past year, have you reduced the amount of coverage you carry in order to lower your auto insurance premium or haven’t you done this?” [A4]

	<u>Yes</u>	<u>No</u>	<u>DK/ Refused</u>	<u>Total</u>	<u>(n)</u>
<b>February 2003 Drivers</b>	<b>19%</b>	<b>80%</b>	<b>1%</b>	<b>100%</b>	<b>(366)</b>
<u>Auto rates in past year</u>					
--Gone up	27	71	2	100	(172)
--Not gone up	14	86	--	100	(186)

**[ASKED OF THOSE WITH CAR INSURANCE:]**

“Has anyone in your household been dropped by an auto insurance company in the past year. [IF “YES” ASK: Is this you or someone else]?” [A5]

	<u>Yes, respondent</u>	<u>Yes, other person</u>	<u>No</u>	<u>DK/ Refused</u>	<u>Total</u>	<u>(n)</u>
<b>February 2003 Drivers</b>	<b>4%</b>	<b>3%</b>	<b>93%</b>	<b>--</b>	<b>100%</b>	<b>(366)</b>

**[ASKED OF THOSE WITH CAR INSURANCE:]**

“Has anyone in your household been looking for another auto insurance company in the past year for any other reason. [IF “YES” ASK: Is this you or someone else]?” [A6]

	<u>Yes, respondent</u>	<u>Yes, other person only</u>	<u>No</u>	<u>Dropped (from A5)</u>	<u>Total</u>	<u>(n)</u>
<b>February 2003 Drivers</b>	<b>17%</b>	<b>6%</b>	<b>73%</b>	<b>4%</b>	<b>100%</b>	<b>(366)</b>
<u>Auto rates in past year</u>						
--Gone up	25	8	61	6	100	(172)
--Not gone up	11	5	82	2	100	(186)

**[ASKED OF THOSE LOOKING FOR NEW INSURANCE:]**

“Have you had trouble finding new auto insurance or has it been relatively easy?” [A7]

	<u>Had Trouble</u>	<u>Relatively Easy</u>	<u>DK</u>	<u>Total</u>	<u>(n)</u>
<b>February 2003</b>	<b>44%</b>	<b>43%</b>	<b>13%</b>	<b>100%</b>	<b>(75)</b>