

# The Star-Ledger/Eagleton-Rutgers Poll

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## RELEASE INFORMATION

A story based on the survey findings presented in this release and background memo will appear in Sunday's *Star-Ledger*. Other newspapers may also use this information in their Sunday editions. Electronic media may release after 5:00 P.M. Saturday, October 12, 1991. We ask users to properly attribute this copyrighted information to "The Star-Ledger/Eagleton Poll".

## NEW JERSEYANS EVALUATE AUTO INSURANCE REFORMS

Close to half of New Jerseyans say the April 1 changes in New Jersey auto insurance policies have not improved the system. About 6-in-10 residents have renewed their auto insurance policy since the new system went into effect, and among them about 4-in-10 say this year's rates are less than last year's. However, about half of the state's residents feel the rates could be a lot lower.

*The Star-Ledger/Eagleton Poll* conducted by telephone between September 11 and 19, 1991 with 800 New Jersey adults found that most state residents give negative ratings to public officials and the insurance industry for the job they have done in trying to keep car insurance rates down.

### Assessment of Changes in the Automobile Insurance System

A plurality of New Jersey residents do not feel the new automobile insurance program that has been in effect for about six months improved the system. Close to half (46%) say the system is not improved and 11 percent feel there has been "just a little"

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### ATTENTION RADIO STATIONS:

Audio is available after 5:00 P.M. on Saturday, October 12, 1991 from (908)932-3605 (Rutgers Feature Phone).

improvement. About 1-in-4 residents say the system is "somewhat" (21%) or "very much" improved (5%). Seventeen percent did not have an opinion on the status of the changes in the auto insurance system.

As would be expected, state residents who renewed and have lower rates than last year are the most likely to say that the system has improved. However, 30 percent of those with lower rates report that they do not feel the system has improved. In comparison, 56 percent of those whose rates haven't changed and 72 percent of those who report higher rates since renewing feel that the new program is not an improvement.

"The automobile insurance system has been a key issue in this state for the past few years," commented Janice Ballou, Poll Director. "The new program set expectations for reform, but the majority of residents who renewed report that they have not experienced reduced rates."

Overall, almost all New Jerseyans think rates could still be lower. Nine-in-ten state residents feel that the insurance companies could still stay in business with rates that are "a lot" lower (47%) or "somewhat" lower (44%). Only 6 percent say insurance rates have to be as high as they are.

#### Direct Impact of Automobile Insurance Reform

Since the auto insurance changes took place on April 1, 59 percent of the state's residents have renewed their policies and 27 percent have not. Twelve percent report that they do not have automobiles.

Among those who have renewed, 42 percent say that they now have lower rates than last year, 28 percent have the same rates and 27 percent say their rates are higher. New Jerseyans who have not yet renewed are about equally divided on whether they expect their rates to be "lower" (31%), "about the same" (32%), or "higher" (30%). Those who feel they

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know "a lot" or "some" about the insurance reform (21%) are less likely to expect higher rates than those who know "a little" or "nothing" (36%).

#### Evaluation of Public Officials and the Insurance Industry

Overall, most state residents give "only fair" or "poor" ratings to public officials and to the insurance industry for the job they have done in trying to keep car insurance rates down. The auto insurance industry gets the highest negative ratings with 80 percent saying they have done a "poor" (53%) or "only fair" (27%) job of keeping rates down. While 68 percent feel the state legislature as a

whole has done a "poor" (26%) or "only fair" (42%) job, 56 percent rate the state legislators representing their district "poor" (19%) or "only fair" (37%). About equal percentages give negative ratings to the Democratic (64%) and Republican (65%) members of the state legislature. Two-in-three New Jerseyans give the State Insurance Commissioner "poor" (34%) and "only fair" (33%) evaluations, and Governor Florio gets "poor" (31%) and "only fair" (31%) assessments from about 6-in-10 state residents. The highest positive ratings are given to Governor Florio with 32 percent rating his efforts to keep car insurance rates down as "excellent" (7%) or "good" (25%). About 1-in-5 give the legislature positive ratings and 1-in-10 say the auto industry is doing an "excellent" (1%) or "good" (9%) job.

#### Awareness of the New Auto Insurance Program

About 3-in-4 New Jerseyans have read or heard something about the new system of auto insurance that went into effect on April 1. Twenty-four percent have read or heard "a lot", 30 percent "some", and 23 percent "a little." Twenty-two percent say they have not read or heard anything about this new program.

BACKGROUND MEMO--RELEASE SL/EP35-4 (EP85-4), SUNDAY, OCTOBER 13, 1991

The latest *Star-Ledger*/Eagleton Poll was conducted between September 11 and September 19, 1991, when a random sample of 800 New Jerseyans, 18 years and older, was interviewed by telephone. Figures based on this sample size are subject to a sampling error of about  $\pm 3.5$  percent. Sampling error is the probable difference in results between interviewing everyone in the population versus a scientific sample taken from that population. Sampling error does not take into account other possible sources of error inherent in any study of public opinion. The questions and figures referred to in this release are presented below. The location of each question on the actual questionnaire is in brackets.

"A new system of auto insurance went into effect in New Jersey on April 1 of this year. Have you read or heard anything about this? How much have you read or heard--a lot, some, or just a little?" [Q.30]

	<u>A Lot</u>	<u>Some</u>	<u>A Little</u>	<u>Not Read/ Heard Anything</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
<b>September, 1991</b>		24%		30%		23%	22%
		1%		100%	(800)		

"Overall, do you think the recent changes in the auto insurance system have improved that system, or not? Have the changes improved the system very much, somewhat, or just a little?" [Q.31]

	<u>Very Much Improved</u>	<u>Somewhat Improved</u>	<u>Just A Little Improved</u>	<u>Not Improved</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
<b>September, 1991</b>		5%		21%		11%	46%
		17%		100%	(800)		

*Renewed Car Insurance  
Since April 1, 1991*

--Have renewed	6	22	12	49	11	100	(508)
--Have not renewed	4	21	10	43	22	100	(207)

*Change In Insurance  
Rates Among Those  
Who Renewed*

--Higher rates	1	4	13	72	10	100	(131)
--Lower rates	12	37	12	30	9	100	(202)
--Same rates	2	16	12	56	15	101	(153)

"Do you think auto insurance rates in New Jersey have to be as high as they are in order for insurance companies to stay in business, or do you think rates could be lower? Do you think rates could be a lot lower or somewhat lower?" [Q.32]

	<u>Have To Be High</u>	<u>Could Be Somewhat Lower</u>	<u>Could Be A Lot Lower</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
<b>September, 1991</b>		<b>6%</b> <b>4%</b>		<b>44%</b> <b>101%</b>		<b>47%</b> <b>(800)</b>
<i>Change in Insurance Rates Among Those Who Renewed</i>						
--Higher rates	5	22	69	4	100	(131)
--Lower rates	7	55	35	3	100	(202)
--Same rates	6	41	54	--	101	(153)
<b><u>PAST SURVEYS</u></b>						
March, 1990	2	33	62	4	101	(800)
March, 1989	2	21	73	3	99	(800)
June, 1987	6	44	42	8	100	(800)

"We'd like to know how you would rate various public officials and groups in handling the car insurance issue. First, how would you rate the job ... (START AT DESIGNATED POINT) has done in trying to keep car insurance rates down -- excellent, good, only fair, or poor?" [Q.33]

	<u>Excellent</u>	<u>Good</u>	<u>Only Fair</u>	<u>Poor</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
Governor Florio	31%	7%	6%	25%	100%	31%	(799)
The State Legislature as a whole	3	17	42	26	14	102	(798)
The State Legislators representing your district	2	16	37	19	26	100	(799)
The auto insurance industry	1	9	27	53	9	99	(797)
The State Insurance Commissioner	2	13	33	34	19	101	(797)
Democrats in the State Legislature	2	14	36	28	20	100	(799)
Republicans in the State Legislature	1	12	41	24	22	100	(798)

"Have you renewed your automobile insurance policy since April 1 of this year, the date the new system went into effect?" [Q.34]

	<u>Yes</u>	<u>No</u>	<u>Does Not Have A Car</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
<b>September, 1991</b>		<b>59%</b> <b>2%</b>		<b>27%</b> <b>100%</b>		<b>12%</b> <b>(799)</b>

Asked only of those who renewed automobile insurance policy since April 1, 1991:

"Compared to what you paid last year, are your current car insurance rates higher, lower, or about the same?" [Q.35a]

	<u>Higher</u>	<u>Lower</u>	<u>About The Same</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
September, 1991		27% 3%		42% 100%	(508)	28%

"Have you actually looked over your car insurance rates, or are you just estimating a comparison?" [Q.35b]

	<u>Looked Over</u>	<u>Just Estimated</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
September, 1991		77% 100%	(508)	20%	3%

Asked only of those who have not renewed automobile insurance policy since April 1, 1991:

"When you renew your policy, do you expect your new car insurance rates to be higher, lower, or about the same?" [Q.35c]

	<u>Higher</u>	<u>Lower</u>	<u>About The Same</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
September, 1991		30% 6%		31% 99%		32% (213)

*Knowledge of  
Automobile Insurance*

--Knows a lot/some	21	39	32	8	100	(112)
--Knows little/nothing	36	26	33	5	100	(100)