

Opinion Exchange Editorial
Defense

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Sometimes legislative success is measured by what is not done. The industry's success in killing a proposed Senate surcharge on business and homeowners policies in Massachusetts is just such a victory.

Imagine the reaction -- if this \$40 million revenue trick had passed-- when homeowners and businessowners received their policies next year with another \$25 surcharge. Of course, it would have appeared as if the insurance industry was making more money. We doubt lawmakers would have stood up to take the heat.

Instead, the industry's lobbyists stood up for themselves and for their customers. They more than earned their pay on that one. As much as the industry would prefer not to wade into legislative waters, it is absolutely necessary at times.

In New Jersey this year, a coalition of industry and business groups managed to win approval of major reform of the highly-politicized auto insurance system.

In New Hampshire, significant personal and commercial lines deregulation was achieved.

In Maine, a landmark health insurance measure is about to be completed, after compromise with the state's health insurers was reached.

In New York, Connecticut and Massachusetts, not much has happened in terms of favored insurance legislation as state budget politics has overshadowed all other legislation to date.

But the industry has been effective on defense, blocking bad bills from advancing. The lobbyists know that something could still happen at the last minute so they are on high alert these days.



Dr. Jeffrey Runge, head of the National Highway Traffic Safety Administration, told a Senate subcommittee recently that his agency's plan to give hundreds of millions of dollars to states that pass tougher or primary seat belt laws is critical to reducing traffic deaths.

Primary laws allow police to stop motorists solely for failing to buckle up. Only 18 states have primary belt laws. States with primary belt laws have an average seat belt usage rate of 80 percent, while states without them have a 69 percent average usage rate.

Runge said the state grants are critical for NHTSA to meet its goal of reducing road fatalities by one-third over the next five years. The Bush administration's highway safety proposal would grant up to \$415 million to states that pass primary seat belt laws or achieve 90 percent seat belt usage.

But some question Runge's approach.

Sen. Gordon Smith, R-Ore., suggested that the plan was unfair to states that have already passed primary belt laws.

Sen. Frank Lautenberg, D-N.J., said Congress should authorize punishments — not incentives — for states that don't pass highway safety laws.

"Sanctions work. Incentives don't," Lautenberg said. "If it saves lives, I think penalties are appropriate."

Not to mention that penalties would add money, not cost money.



The concept of a graduated drivers license (GDL) program for commercial drivers has the potential to enhance highway safety, but without a cost-benefit analysis and age limits for young drivers, insurers suggest the program could be headed down the wrong road.

Graduated drivers license programs, which have existed for the past 10 years for teen drivers, initiate specific steps in state-run programs with requirements that must be met by the youthful driver before a driver's license can be obtained.

The National Association of Independent Insurers (NAII) was a leader in promoting state legislation for successful GDL programs for teens. Such laws have reduced accidents and fatalities in states around the country. NAII recently submitted comments to the U.S. Department of Transportation on a commercial version of the GDL program.

Although this concept could be a potential safety tool for new commercial drivers, NAII members would like to see statistics comparing accident frequency of new commercial drivers license holders with those of more experienced drivers before any program is implemented, along with a thorough cost-benefit analysis, said David M. Golden, NAII director, commercial lines.

The Insurance Institute for Highway Safety (IIHS) has provided substantial research showing significantly higher accident risk for young commercial drivers in its 2001 comments on the younger commercial driver pilot proposal, and is urging that any GDL proposal to establish a 21-year-old minimum age requirement.

"Studies done by IIHS and others have consistently shown that drivers under 21 years of age have significantly higher accident rates," Golden said. "At 18 drivers are still building basic skills needed to safely drive cars. We have seen nothing to indicate that the extra skills needed to safely operate large commercial vehicles could be mastered at age 18. If additional information becomes available we will be happy to re-evaluate our position."

Final comments regarding the graduated commercial drivers license concept were due May 27th to the U.S. Department of Transportation. □