

## CONGRESS OF THE UNITED STATES

## Joint Economic Committee

JIM SAXTON, CHAIRMAN

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## PRESS ADVISORY

For Immediate Release

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## Armey, Saxton and Moran Introduce Auto-Choice Insurance Reform Bill Today

WASHINGTON, D.C.—Joint Economic Committee (JEC) Chairman Jim Saxton (R-NJ) along with House Majority Leader Dick Armey (R-TX) and Representative Jim Moran (D-VA) will hold a press conference today to introduce their version of the auto-insurance reform bill. A similar bill was introduced in the Senate recently by Senators Mitch McConnell (R-KY), Joseph Lieberman (D-CT), and Daniel Patrick Moynihan (D-NY).

Rising auto insurance costs continue to burden American families and businesses. Higher insurance premiums result from the inefficiencies in the current third-party, fault based auto insurance system. It also reduces incentives for auto safety features, and contributes to higher medical costs. "Not only does this bill demonstrate that there is a growing bi-partisan consensus that more options are needed to address the problem of auto insurance but it also shows that drivers deserve more choices with lower premiums," stated Saxton.

"These rising costs hit every driver in America where it hurts most -- their pocketbooks. But they hit low-income drivers particularly hard. One study revealed that low-income families could spend as much as one-third of their household incomes on auto insurance," stated Representative Armey. "In fact, American drivers are stuck in the middle -- they are forced to choose between paying high rates or breaking the law by not buying insurance altogether. That's not much of a choice," he concluded.

One of the benefits of this auto-choice bill is that it allows drivers to receive significant savings and quicker compensation for their injuries. According to JEC studies regarding Auto-Choice, the average policyholder would save \$243 in auto-insurance premiums annually.

The savings would be even more significant for low-income drivers. According to a JEC study, low-income drivers would save approximately 48 percent on their premiums. The bill gives States the choice to modify the federal law through their legislatures or opt out all together.

Where: EF - 100 (U.S. Capitol)
When: TODAY, June 18th

Time: 12 Noon

For more information on this bill, or to obtain copies of these studies regarding Auto-Choice, contact the JEC at (202) 224-5171.

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