

attempt to settle the semantics over terminology when they write: "...whether or not we formally diagnose someone as TV-dependent, millions of people sense that they cannot readily control the amount of television they watch."

## Car Trouble

Could relaxing state regulations on auto insurers help keep them in the Garden State?

Two summers ago, John Worrall was asked to analyze New Jersey's automobile insurance industry for the Washington-based Brookings Institution conference on insurance deregulation. "My report politely pointed out what a mess our system is and how it could be fixed," says the chair of the Rutgers-Camden economics department. In 2001, the American Insurance Association, another Washington-based institution, asked him to do a follow-up analysis focusing on how to change the system over time rather than all at once.

"The response was overwhelming," says Worrall, who completed the work last spring. The *Wall Street Journal*, *Forbes*, and almost every major newspaper in New Jersey ran editorials either supporting his recommendations or urging that legislators and state insurance officials read his report ([www.rutgers.edu/dept-pages/economics/jw.html](http://www.rutgers.edu/dept-pages/economics/jw.html)).

Says Worrall: "Five of the top 10 companies won't do business here. State Farm, which insures one million drivers, sued to leave because they were losing money. Meanwhile, 12 percent of our drivers are without insurance while the rest of us pay the highest rates in the country."

Worrall recommends a complete overhaul. He advocates allowing companies to raise or lower prices by 10 percent in a one-year period without regulatory approval. "This would provide the state with some cost control, but also provide flexibility to underwriters," he says. "In South Carolina, this drastically slowed the number of companies leaving."

He would also change the rule that prohibits companies that refuse to write auto insurance policies from offering other kinds of insurance. "This hurts consumers who benefit from companies that offer competitive rates in other areas, such as homeowners insurance," he says.

The current "take-all-comers" rule is also problematic, he believes. "With the exception of New Jersey Manufacturer's, companies are forced to write policies for drivers with up to nine points against their license," he says. "More companies would write insurance in the state if they could establish their own underwriting standards."

About 125 companies do business in Illinois and California; only half that amount write policies in New Jersey. "Take all the obstacles away and conditions will improve," he believes. "Let's face it, things can't get much worse." □



### Did you know?

◆ Stroke patients needing hand therapy will benefit from a new system that links sensor-equipped gloves to such graphics as a piano keyboard on a PC monitor. The system was developed at Rutgers' Center for Advanced Information Processing on the Busch campus.

◆ It is now believed that it took 20 million years—rather than 50 million—for Earth to coalesce from materials already floating around our sun. Brigitte Zandt-Hewins, an adjunct member of the Department of Geological Sciences at FAS-New Brunswick, was part of a team that made the determination by studying samples from meteorites.

◆ Geneticists at Rutgers' Waksman Institute of Microbiology have devised a new way to create more nutritious corn without using the genetic engineering practices that are now under fire. Instead of adding foreign DNA to the corn, they increased the plant's own ability to produce protein by adjusting the genetic signals that control the process.