

MITCHELL A. LIVINGSTON
President & Chief Executive Officer



Dear Policyholder:

For more than a century, NJM has operated for the exclusive benefit of our policyholders, with a commitment to maintaining the highest levels of service, integrity and financial stewardship. We are also committed to advocating on behalf of our policyholders. That is the purpose of my letter.

The New Jersey Legislature is fast tracking legislation (S-2144 & A-3850/A-4293) that will substantially increase the price of personal automobile and homeowners' insurance coverage in the State. The supporters of the legislation argue that it is pro-consumer - providing claimants the right to challenge the way an insurer handles an insurance claim. However, claimants already have the right to challenge an insurer's actions under existing laws. In fact, New Jersey's current insurance consumer protection laws are among the strongest in the country.

NJM believes that the special interests behind the legislation are actually trying to create an imbalance in the present system by permitting, and indeed encouraging frivolous and unnecessary lawsuits to generate higher costs and legal fees. If they are successful, these additional costs will result in substantial automobile and homeowners' rate increases for all New Jersey residents.

An independent study performed by one of the nation's leading actuarial firms estimated that the legislation will increase overall insurance premiums in New Jersey by over \$2.5 billion per year. This means residents would likely receive increases of nearly \$300 per policy for automobile insurance and over \$100 per policy for homeowners insurance.

This legislation will only serve special interests - needlessly increasing insurance costs without providing any benefit to you. Without your help, this legislation could be adopted soon.

Please call your local legislators and let them know that this legislation (S-2144 & A-3850/A-4293) is a BAD DEAL for New Jersey drivers and homeowners. Visit www.NJM.com/advocacy for information and links you can use to identify and contact your legislators.

Thank you for your help on this important matter and for trusting NJM with your insurance needs.

Sincerely,

A handwritten signature in cursive script that reads "Mitchell A. Livingston".

