



# DEPARTMENT OF TRANSPORTATION

# NEWS

## OFFICE OF THE SECRETARY

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This is the U.S. Department of Transportation Broadcast News Service for January 24 and 25 featuring part three and four of the five part special series on no-fault insurance, with Department Spokesman Richard Walsh. In part three, Mr. Walsh deals with how no-fault differs from the auto insurance most people have now.

"While there are many varieties of no-fault plans, the feature that basically differentiates them from what most of us have today is that the accident victim collects his basic benefits -- medical and hospital expenses, lost wages, and so forth -- from his own insurance company. Moreover, he collects them regardless of who is at fault in the accident. Today, this victim usually has to deal with someone else's insurance company and then he can collect only if he was not at fault in the accident. Sometimes, he has to hire a lawyer and sue in court for his loss, and besides the high cost involved, there can also be a long delay in payment. No-fault insurance coverage eliminates this delay, makes recovery certain for all victims, and by eliminating much of the investigation, negotiation and litigation costs, holds out the very real possibility of lower insurance premiums."

In part four, for Thursday, January 25, Mr. Walsh discusses no-fault insurance and the moral obligation to drive safety.

"One common misconception about no-fault insurance is that it removes or dilutes the motorist's obligation to drive in a careful and prudent fashion because he will no longer be held personally responsible for the damage or injury he causes. What seems to be forgotten here is that our present liability insurance system does the same thing. It, too, shifts the obligation to pay from the guilty driver to the insurance company. The important difference is that no-fault insurance promises to deliver benefits to all victims faster, cheaper and with greater certainty than the present form.

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"The motorist's moral obligation to respect the lives and property of others in his driving behavior is in no way reduced by no-fault insurance. Nor does it diminish his obligation to obey both the letter and the spirit of the traffic laws. No-fault does not mean that the matter of "fault" is no longer important; it simply means that the compensation of accident losses will no longer have to wait or rest upon a determination of fault."

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