



**INFORMATIONAL MEMORANDUM
OIR-07-12M
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August 6, 2007**

Florida Office of Insurance Regulation
Kevin M. McCarty, Commissioner

Florida Motor Vehicle No-Fault Law

(Intended for Insurance Carriers writing Motor Vehicle Insurance)

The purpose of this memorandum is to notify insurers of the requirements of law as a result of the provisions of the “Florida Motor Vehicle No-Fault Law”, Sections 627.730-627.7405, Florida Statutes, which state that the law stands repealed effective October 1, 2007. If the Legislature takes no action prior to October 1, 2007, the repeal will take effect. This memorandum describes some actions that insurers should take, in the event of a repeal, to facilitate an orderly transition to a tort system of compensation for automobile accident victims. Insurers are cautioned that this memorandum does not contain legal advice (which should be sought from the insurer’s counsel).

Some insurers have filed and obtained approval for transitional policy language. You may locate these by going to www.fldfs.com/edms and searching for the keyword “PIP Sunset”.

Companies are encouraged to inform insureds, in a clear and unambiguous manner, about the effects of the No-Fault repeal and about factors consumers should consider in deciding what coverages and limits to purchase in a tort environment. The potential for delays in compensation pending a tortfeasor’s insurer’s investigation or for unreimbursed losses for individuals who are at-fault and lacking adequate health and disability insurance should be brought to the insured’s attention. The increased exposure to lawsuits with the repeal of tort exemption should also be addressed.

The Office of Insurance Regulation stresses that communications with insureds must be accurate in all respects. For instance, insureds should be cautioned that premiums quoted and statements about compensation for automobile accident victims subsequent to October 1, 2007 are contingent on the repeal of the “Florida Motor Vehicle No-Fault Law” which may not take effect if the Florida Legislature amends the law prior to October 1, 2007.

If you have any questions regarding this Informational Memorandum, please contact Mike Milnes, Deputy Director, Property and Casualty Product Review, Florida Office of Insurance Regulation at Michael.Milnes@fldfs.com or (850) 413-5306.