

# Personal Automobile Insurance Coverage

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## PART ONE

# Personal Automobile Insurance Coverage Data Call Results

# About the Data Call

- Personal auto insurance coverages
- Required of Top 25 writers
- Represents 80% market share
- Policies-in-force as of July 1, 2013
- Vehicles insured (Statewide/County)
  - with bodily injury and limits
  - with mandatory coverages only
  - with medical payments and limits
  - with "full" coverage



# Types of Coverage

## Mandatory

- Personal Injury Protection (PIP)
- Property Damage (PD)

## Optional

- Bodily Injury (BI) – Some exceptions
- Medical Payments (“Med-Pay”)
- Uninsured Motorists
- Comprehensive
- Collision



# Coverage Summary

## Statewide

Percentage with:	
Minimum only (PIP/PD)	4.0%
Bodily Injury	92.1%
Medical Payments	25.4%
Full Coverage	21.7%

County-specific distribution included in separate addendum



# Coverage Summary

## County Highlights

<b>Policies with:</b>	<b>Highest</b>	<b>Lowest</b>
Minimum Coverage (PIP/PD Only)	Miami-Dade (5.6%)	Santa Rosa (1.4%)
Minimum Coverage Incl. BI of 10/20	Miami-Dade (12.2%)	Seminole (2.2%)
Bodily Injury Coverage	Okaloosa (96.8%)	Osceola (88.7%)
Full Coverage	Lafayette (41.1%)	Miami-Dade (6.1%)
Medical Payments Coverage	Lafayette (57.3%)	Miami-Dade (7.7%)



# Bodily Injury Coverage Limits

## Statewide

Percentage with:	
10/20 or above	92.1%
15/30 or above*	64.2%
25/50 or above	62.8%

County-specific distribution included in separate addendum

\* Responses from the category "Other – Lower than \$25,000/\$50,000" are not included since it is unclear whether the limits would be lower or higher than \$15,000/\$30,000. However, this "other" category accounts for just 0.2% of total vehicles.



# “Med Pay” Coverage Limits

## Statewide

Percentage with:	
\$1,000	1.7%
\$2,000	3.3%
\$2,500	0.2%
\$5,000	14.6%
\$10,000	3.2%
Under \$5,000	5.3%
\$5,000 or above	20.0%

County-specific distribution included in separate addendum





## PART TWO

### Estimated Premium Impacts: Replacing PIP with BI Coverage

# Methodology

Rating example (married, both age 40)

- Central Miami, Tallahassee (other regions shown in separate addendum)

5 large insurers (3 non-standard; 2 standard)

PIP premium reallocation assumption:

- 50% moved to Bodily Injury
- 20% moved to Medical Payments
- 10% moved to Uninsured Motorists



# Summary Of Premium Impacts

## From Minimum Required Limits

- To BI/PD (10/20/10) – Decreases for almost all regions for nonstandard and where there is PIP fraud for standard
- To BI/PD (25/50/10) – Decreases for all insurers in Central Miami

From Full Coverage – Decreases for all insurers regions as long as the BI and PD limits remain the same.



# Estimated Impact – Central Miami

## Married Couple – Both Age 40

	Policies with Minimum Required Limits			Policies with Full Coverage (10/20/10/1)		
	PIP/PD	BI/PD* 10/20/10	Change	No-Fault	Tort * System	Change
Non-Standard Company A	\$2,840.83	\$1,847.36	<b>-35%</b>	\$4,189.06	\$3,667.41	<b>-12%</b>
Non-Standard Company B	\$2,280.00	\$1,674.00	<b>-27%</b>	\$4,740.00	\$4,535.25	<b>-4%</b>
Non-Standard Company C	\$1,271.00	\$1,112.50	<b>-12%</b>	\$3,138.00	\$2,945.80	<b>-6%</b>
Standard Company D	\$707.32	\$587.01	<b>-17%</b>	\$1,640.10	\$1,527.30	<b>-7%</b>
Standard Company E	\$1,335.45	\$1,049.79	<b>-21%</b>	\$2,401.36	\$2,162.31	<b>-10%</b>

Source: Premium shown is annual premium from Rate Collection System information for recent personal auto rate filing. Limits shown as A/B/C/D where the BI limit per person is \$A, BI limit per occurrence is \$B, PD limit is \$C and MP limit (if applicable) is \$D.

\* Includes adjustment to reflect elimination of PIP.



# Estimated Impact – Tallahassee

## Married Couple – Both Age 40

	Policies with Minimum Required Limits			Policies with Full Coverage (10/20/10/1)		
	PIP/PD	BI/PD* 10/20/10	Change	No-Fault	Tort * System	Change
Non-Standard Company A	\$631.32	\$526.16	<b>-17%</b>	\$1,367.22	\$1,269.61	<b>-7%</b>
Non-Standard Company B	\$698.00	\$670.00	<b>-4%</b>	\$2,090.00	\$2,084.80	<b>-0.2%</b>
Non-Standard Company C	\$527.00	\$593.00	<b>+13%</b>	\$1,711.00	\$1,659.80	<b>-3%</b>
Standard Company D	\$235.30	\$253.93	<b>+8%</b>	\$862.15	\$833.03	<b>-3%</b>
Standard Company E	\$245.80	\$345.88	<b>+41%</b>	\$894.22	\$861.42	<b>-4%</b>

Source: Premium shown is annual premium from Rate Collection System information for recent personal auto rate filing. Limits shown as A/B/C/D where the BI limit per person is \$A, BI limit per occurrence is \$B, PD limit is \$C and MP limit (if applicable) is \$D.

\* Includes adjustment to reflect elimination of PIP.



# Conclusion

- Personal auto premiums vary significantly
- Impact of PIP repeal will vary significantly
- Most policyholders already purchase BI
- Even policyholders that purchased the minimum required coverage of PIP/PD could see decreases with required BI limits of 10/20 or 15/30



# Questions?

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