

Personal Automobile Insurance Coverage

Senate Banking & Insurance Committee

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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

| Policies with: | Highest | Lowest |
|---------------------------------------|-----------------------|----------------------|
| 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 | -35% | \$4,189.06 | \$3,667.41 | -12% |
| Non-Standard Company B | \$2,280.00 | \$1,674.00 | -27% | \$4,740.00 | \$4,535.25 | -4% |
| Non-Standard Company C | \$1,271.00 | \$1,112.50 | -12% | \$3,138.00 | \$2,945.80 | -6% |
| Standard Company D | \$707.32 | \$587.01 | -17% | \$1,640.10 | \$1,527.30 | -7% |
| Standard Company E | \$1,335.45 | \$1,049.79 | -21% | \$2,401.36 | \$2,162.31 | -10% |

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 | -17% | \$1,367.22 | \$1,269.61 | -7% |
| Non-Standard Company B | \$698.00 | \$670.00 | -4% | \$2,090.00 | \$2,084.80 | -0.2% |
| Non-Standard Company C | \$527.00 | \$593.00 | +13% | \$1,711.00 | \$1,659.80 | -3% |
| Standard Company D | \$235.30 | \$253.93 | +8% | \$862.15 | \$833.03 | -3% |
| Standard Company E | \$245.80 | \$345.88 | +41% | \$894.22 | \$861.42 | -4% |

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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