

NEWS FROM THE OFFICE

FOR IMMEDIATE RELEASE

January 5, 2015

Contact Info:

Harvey Bennett/Amy Bogner

[\(850\) 413-2515](tel:(850)413-2515)

press@flor.com

Office Releases Personal Injury Protection (PIP) Insurance Data Call Report

TALLAHASSEE, Fla. – The Florida Office of Insurance Regulation (Office) has released a comprehensive [Report](#) on the review of the Motor Vehicle Personal Injury Protection (PIP) Insurance data call as required by [House Bill 119](#), which passed in 2012. The Report provides data to help evaluate market conditions relating to the Florida Motor Vehicle No-Fault Law and the impact on the market from reforms made as a result of this law.

The findings showed a general decrease in the per claim costs and the overall number of claims (frequency and severity) for PIP since the implementation of HB 119 on January 1, 2013. The regional analysis concludes that South Florida and the Tampa/St. Petersburg regions experienced the most significant decreases in Florida. However, the data also exposed that other coverages, such as Bodily Injury (BI) and Uninsured Motorists (UM), experienced increases in both frequency and severity when some benefits covered under PIP moved to these coverages. These trends are expected to continue over the next year.

Prior to 2012 and the passage of this law, the pervasive nature of PIP fraud and staged auto accidents created an unsustainable cost trajectory of PIP claims. The Division of Insurance Fraud (DIF), within the Department of Financial Services (DFS), is responsible for investigating this type of fraud. According to the DIF, there has been a substantial decline in PIP fraud since the implementation of HB 119 with a projected 16% decrease during Fiscal Year 2013 – 2014 from Fiscal Year 2011- 2012.

The Office also compiled a summary of the rate filings effective on or after January 1, 2011 for the top 25 insurers representing 80.9% of the total personal auto market in Florida. These filings were segregated into two sets of data: Pre-HB 119 and Post-HB 119 (to include all filings submitted since, and including, the first required HB 119 filing due on October 1, 2012). The average statewide approved rate changes were:

Pre-HB 119 Post-HB 119

PIP +46.3% -13.6%

Liability (incl. PIP) +20.9% -0.5%

Overall (incl. Comp. & Coll.) +12.9% -0.1%

The report noted many insurers had residual rate need due to deteriorating PIP experience prior to the implementation of the bill that were used to offset some of the expected savings from HB 119. For an individual policyholder, the rate changes may vary considerably from the statewide averages listed above, taking into account other factors, such as differences by insurer, by territory, etc.

Overall, there was limited data available to determine the true impact of HB 119; however, the data call analysis reveals the law has had a major impact on the personal auto market and changed the trajectory of trends being seen prior to its enactment.

Per HB 119, the data call had to address the following elements listed below, but was expanded to include supplemental information about other Personal Auto Liability coverages:

- Quantity of personal injury protection claims
- Type or nature of claimants
- Amount and type of personal injury protection benefits paid and expenses incurred
- Type and quantity of, and charges for, medical benefits
- Attorney fees related to bringing and defending actions for benefits
- Direct earned premiums for personal injury protection coverage, pure loss ratios, pure premiums, and other information related to premiums and losses
- Licensed drivers and accidents
- Fraud and enforcement

For more information, visit the Office's "PIP Insurance (HB 119)" [webpage](#).

###