



## PCI TESTIFIES

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### **PCI Testifies on Auto Cost Drivers in the District of Columbia**

PCI testified today before the District of Columbia's Department of Insurance, Securities and Banking on auto frequency and severity trends.

PCI testified that there is a general public perception that car safety technology has reduced the number of auto crashes. However, in spite of new safety features and crash-avoidance technology, auto crash frequency and severity have dramatically increased over the last five years. Several factors are contributing to the rise in frequency and severity, including an increase in traffic congestion, distracted driving, and drug and alcohol impaired driving. Both frequency and severity have been much worse in D.C., than the nation overall.

PCI emphasized that while the loss costs are increasing in D.C., consumers can be assured that the D.C. auto insurance market continues to be a highly competitive market in which coverage is readily available. PCI is aware of this trend because the D.C. Automobile Insurance Plan, like so many other state residual markets, continues to shrink at a substantial rate. And while the Insurance Research Council suggests that D.C.'s uninsured motorist rate is slightly above the national average, it is nowhere near as large as more problematic markets such as Florida and Mississippi, both of which have uninsured motorist rates well over 10 percentage points higher than the national average. Both of these data points suggest that consumers can readily obtain auto insurance at a competitive price in D.C.

PCI highlighted its collaboration with two major actuary societies to identify several potential causes and solutions to these increases:

- Infrastructure investment
- Standards and enforcement to reduce distracted driving
- Weather warnings and closures
- Lower speed limits
- Education, standards, and enforcement on marijuana-impaired driving
- Tort reform and litigation financing

PCI will continue to work with other agencies, regulators, and policymakers on these reforms and solutions to protect consumers and our communities. For more on auto cost drivers, see the [PCI Industry Issues page](#).

PCI is composed of nearly 1,000 member companies, representing the broadest cross section of insurers of any national trade association. PCI members write \$220 billion in annual premium, 37 percent of the nation's property casualty insurance. Member companies write 44 percent of the U.S. automobile insurance market, 30 percent of the homeowners market, 35 percent of the commercial property and liability market and 37 percent of the private workers compensation market.

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