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COUNTDOWN to Savings: 9 Weeks Left

IN NINE WEEKS Florida consumers will see savings in their pocketbooks and personal responsibility restored on the roads as the no-fault insurance law, mandating that auto policy holders carry personal injury protection (PIP), sunsets on October 1, 2007. Each week until the sunset date, the Property Casualty Insurers Association of America (PCI) is providing consumers with helpful tips to prepare for the shift to a fault-based system and the multitude of benefits that this will provide. This week we will look at the success of Colorado's repeal of their no-fault auto insurance system in 2003.

STUDIES SHOW THAT A FAULT-BASED SYSTEM PROVIDES SAVINGS FOR DRIVERS...

A study conducted by the Property Casualty Insurers Association of America (PCI) and the Rocky Mountain Insurance Information Association (RMIIA) showed that many consumers in Colorado saw rate decreases between 19.5% and 27.1% when Colorado scrapped its ailing no-fault automobile insurance system and moved towards a more equitable fault-based system. The study compared automobile insurance rates in January 2005 to rates in July 2003 when the state's no-fault law was allowed to sunset.

Before the repeal of its no-fault law, Coloradans were paying the 10th highest auto premiums in the country. Like Florida, the Colorado no-fault system was plagued by high costs due to broad medical coverage, known as Personal Injury Protection (PIP), that drivers were forced to purchase. The abuses of this medical system by unscrupulous providers placed an unfair burden on consumers. After Colorado lawmakers spent years exploring ways to improve the system, they decided that the best solution was to allow their 30-year old no-fault system to sunset.

"Colorado provides a clear 'before and after' picture of how consumers can benefit from a shift away from a broken no-fault system," said William Stander, assistant vice president and regional manager for PCI. "While the savings may not be identical to Colorado, where consumers were forced to buy \$100,000 PIP coverage, Florida consumers will benefit from rate relief and more choices regarding the type and amount of coverage they purchase."

On October 1, 2007 Florida will join the state of Colorado in repealing the government mandated personal injury protection program. As was seen in Colorado, Floridians are expected to see potential savings in the auto insurance premiums that they pay. "We applaud lawmakers for seeing the need to eliminate this coverage as it was not providing its intended protection for the auto policyholder," said Stander. "Floridians can look at the consumer victory that was achieved in Colorado when no-fault expired and feel both confident and excited about the future of Florida's new auto insurance system."



PCI's Consumer Tip of the Week:

Contact your local lawmakers and encourage them to look at the consumer savings that policyholders received in Colorado when their no-fault system expired. Tell your neighbors that rate relief is on the way!

**Contact PCI Public Affairs Manager Jessica Hanson for more information about the Countdown to Savings
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