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COUNTDOWN to Savings: 3 Weeks Left

IN THREE 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) will provide consumers with helpful tips to prepare for the shift to a fault-based system and the multitude of benefits that this will provide.

REFORM IS ON THE WAY...

When the no-fault law sunsets, drivers will no longer be paying for Florida's broken auto insurance system. Manipulation of the system led to expensive fraud and abuse over the past three decades. These costs were passed along to all policyholders, and as a result Florida had the 6th highest auto rates in the nation. On October 1st all Floridians will benefit when lawmakers finally curb the ailing system and restore reasonableness to the auto insurance system.

The facts:

The Insurance Research Council's (IRC) *Florida Auto Injury Insurance Claim Environment, 2007 Final Report* examined some of the key cost drivers in the Florida no-fault system:

- The average total claimed PIP economic loss increased 18 percent, from \$8,289 in 2002 to \$9,769 in 2005. Average claim payments increased 24 percent, from \$4,606 to \$5,712;
- The proportion of PIP claimants who had magnetic resonance imaging (MRI) rose from 26 percent of all PIP claimants in 2002, to 33 percent in 2005;
- The cost of computerized tomography (CT) services increased 31 percent, from \$2,755 in 2002 to \$3,601 in 2005;
- The percentage of PIP claimants receiving chiropractic treatment grew from 33 percent in 2002 to 44 percent in 2005. Average total chiropractor charges for PIP claimants grew 35 percent over the three-year period, from \$4,837 to \$6,510;
- Almost three-quarters (73 percent) of PIP claimants reported a sprain or strain as their most serious injury in 2005, compared with 68 percent in 2002 and 61 percent in 1997.
- PIP claimants in Florida hired attorneys more frequently in 2005; 45 percent of claimants in 2005 hired attorneys, compared with 34 percent in 2002.



PCI's Consumer Tip of the Week:

***Review your policy to see what types of coverage you currently carry
&***

Ask your agent or policy writer if you will receive savings on your auto policy next month

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