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PIFF STATEMENT ON REPEAL OF FLORIDA NO-FAULT LAW

TALLAHASSEE, FL, (January 24, 2017) – The Personal Insurance Federation of Florida (PIFF) urged caution today as the Senate Banking and Insurance Committee began the discussion of potentially repealing Florida’s Motor Vehicle No-Fault Law. In today’s hearing, Michael Carlson, president of PIFF, stated that any changes in the wake of repeal could have negative cost implications and that all policy decisions should be weighed carefully.

“We do believe that any consideration of the repeal of the No-Fault Law should be grounded in the reality that new mandatory insurance coverages will have a price effect on Floridians,” said Carlson. PIFF is concerned that if the No-Fault Law is repealed, mandatory bodily injury and first-party medical payments coverage could be required for all motorists, with the potential to drive up the cost of auto insurance.

Some stakeholder groups have called on the Florida Legislature to repeal the decades-old auto reparations system in favor of a new system based on mandatory bodily injury coverage. Florida is one of the few remaining states in the nation that has a “no fault” law with the accompanying PIP coverage. This program has been plagued by abuse and unnecessary litigation, and was most recently amended in 2012.

Carlson asked lawmakers to allow the private insurance market, as regulated by the Florida Office of Insurance Regulation, to react to any changes in the law.

“PIFF urges lawmakers to allow the market to price the new auto reparations system you create in the wake of repeal of the No-Fault Law.”

The Personal Insurance Federation of Florida was formed in late 2010 with three charter members: Allstate and Castle Key Insurance Companies, The Progressive Group of Insurance Companies, and State Farm Insurance Companies, to create a dynamic, efficient, and competitive marketplace for personal insurance products for the benefit of all Floridians. PIFF charter members serve forty-five percent (45%) of the automobile insurance market and more than twenty percent (20%) of the homeowners’ property insurance market.

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