



FOR IMMEDIATE RELEASE
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Contact: Michael Carlson
(850) 597-7425

Statement by Michael Carlson, Executive Director of the Personal Insurance Federation of Florida, Regarding Today's Florida Insurance Consumer Advocate's Executive Summary Presented to Governor Rick Scott and Members of the Florida Cabinet

(Tallahassee, FL) – “The Personal Insurance Federation of Florida (PIFF) strongly supports Chief Financial Officer Jeff Atwater’s call for ‘bold and significant change’ on the Florida Motor Vehicle No-Fault Law and the government-mandated Personal Injury Protection (PIP) insurance that all Florida drivers must purchase.

“During today’s Cabinet meeting, the Governor and Cabinet heard a presentation from Insurance Consumer Advocate Robin Westcott, and the statistics are staggering. As Florida Governor Rick Scott noted, this is a billion dollar problem for Floridians. Highlights of the executive summary include alarming statistics and trends that are resulting in unnecessary burdens on Floridians.

- PIP claim costs **have risen by more than \$900 million** between 2008-2010, while the number of auto crashes resulting in injury **has declined**.
- Florida is **number one for staged auto accidents** intended to set up fraudulent PIP claims, according to the National Insurance Crime Bureau.
- The Florida Division of Insurance Fraud spends **49 percent of its time investigating PIP fraud**.
- PIP clinics are largely **unregulated and subject to numerous loopholes**, which allows fraudsters to rip off consumers.
- In 2010, more than **50,000 PIP lawsuits were filed**, driven by high attorney’s fees that are awarded to plaintiff’s lawyers. These lawsuits force insurers to approve questionable claims to avoid costly litigation, and these **claims costs are passed on to consumers**.

“The PIP working group established by the Chief Financial Officer demonstrated clearly that the broken PIP system is a billion dollar problem for Florida consumers. The Personal Insurance Federation of Florida supports a comprehensive solution. We cannot continue to timidly chip away around the edges; we urge policymakers to take action this Session in order to put the brakes on PIP insurance increases.”

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The Personal Insurance Federation of Florida is a personal lines insurance trade association whose charter members (Allstate and Castle Key Insurance Companies, The Progressive Group of Insurance Companies, and State Farm Insurance Companies), represent forty five percent (45%) of the automobile insurance market and more than twenty five percent (25%) of the homeowners’ insurance market. The trade’s goals are to create a dynamic, efficient, and competitive marketplace for personal insurance products for the benefit of all Floridians.