

## Florida May Be Only State Without PIP Requirement

by AP-News

TALLAHASSEE, Fla. -- Florida would be the only state without a requirement for drivers to have bodily injury liability coverage if the present no-fault insurance system expires, the state's chief financial officer said Wednesday.

It would leave that 20 percent of Floridians who have inadequate or no health insurance unable to pay their medical bills if injured in traffic accidents, CFO Alex Sink said.

"That's serious," Sink said.

If no-fault expires, motorists still will be required to carry liability insurance for property damage.

The present no-fault requirement for personal injury protection, or PIP, will automatically expire Oct. 1 unless the Legislature passes a law to continue it.

Mandatory PIP covers up to \$10,000 in medical expenses due to auto accidents regardless of who is at fault. Drivers also can buy bodily injury insurance to cover additional injuries they may cause to other people, but it's not required because PIP covers at least part of that liability.

Sink and Gov. Charlie Crist have joined the state's hospitals in urging lawmakers to continue no-fault. Insurance companies, though, have argued the system is so riddled with fraud that it should be allowed to die.

The no-fault supporters wanted the Legislature to reinstate it - likely with new anti-fraud provisions - or pass a law to require mandatory bodily injury coverage during a special session to cut the state's budget.

Those hopes likely were dashed when legislative leaders later Wednesday announced they had indefinitely postponed the session beyond a previously announced target date of Sept. 18.

The Safety Net Hospital Alliance of Florida will shift its focus to the 2008 regular session if no-fault expires Oct. 1, said Rich Rasmussen, a spokesman for the organization. He said the hospitals, which claim they stand to lose \$350 million a year treating uninsured accident victims, will push for re-establishing no-fault or some other form of mandatory coverage.

Christopher Moya, spokesman for Floridians for Lower Insurance Costs, a group that includes the state's major auto insurers, downplayed the significance of a bodily injury requirement. That's because 92 percent of motorists already purchase the optional liability coverage, he said.

"Making it mandatory really is a wash when you consider that somewhere between 6 and 8 percent of Florida's drivers at the present moment have no insurance of any kind and are in violation of the law," Moya said.

He said other auto coverages would pick up 80 percent of medical expenses resulting from traffic accidents even if no-fault expires.

Besides fraud, insurers have another problem with the present no-fault system because there are no limits on how much doctors and hospitals can charge for various procedures and tests.

Moya said no-fault might be acceptable if lawmakers added a fee schedule and limited procedures, tests and lawyer fees, but he said "that's a question for the Legislature."

Sink and Crist acknowledged the insurance industry and trial lawyers, who also oppose continuing no-fault, appear to have the upper hand in the contest for legislative votes.

"If the Legislature doesn't come to a consensus real soon it doesn't look likely" no-fault can be saved, Crist said.

The governor, though, said he doesn't plan to prod the Legislature by proposing his own no-fault legislation.

"I have found it's better to have a consensus than to attempt to drive" lawmakers to action, Crist said. "When I was a state senator I didn't appreciate being driven, and I don't think they do either."

Sink agreed no-fault seems headed for expiration.

"We just have to get prepared for an entirely different new environment that we in Florida haven't experienced for 35 years," Sink said. "And we're not prepared."

She said Floridians should check with their insurance agents or the Florida Department of Financial Services Web site, for assistance.

---

Copyright 2007 by The Associated Press. All rights reserved.

Presented by InsuranceHeadlines.com

