



Property Casualty Insurers
Association of America
Shaping the Future of American Insurance

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Sen. Donald C. White
Chair, Banking and Insurance Committee
Pennsylvania State Senate
Senate Box 203041
Harrisburg, PA 17120-3041

Dear Senator White:

Thank you for the opportunity to provide comments on Senate Bill 1339, a proposal to increase the motor vehicle financial responsibility (FR) limits from the current \$15,000 per person, \$30,000 per accident to \$30,000 per person and \$60,000 (30/60) per accident.

The members of the Property Casualty Insurers Association of America (PCI) write over 42 percent of the personal automobile insurance in Pennsylvania, representing more than \$2.9 billion in direct written premium. While it is true that the FR limits have not changed for some time, our members oppose this bill that would put Pennsylvania's limits among the highest in the nation and potentially increase the uninsured motorist population by significantly increasing premiums for those least able to afford it.

Pennsylvania's current limits are in line with other large states like California as well as neighboring states such as New Jersey, Delaware, West Virginia and Ohio. Forty-four (44) states and the District of Columbia have FR limits that are \$25,000 per person and \$50,000 per accident (25/50) or lower. If SB 1339 was to become law, Pennsylvania would be an outlier, joining the six states with the highest limits (Alaska, Maine, Maryland, Minnesota, North Carolina and Texas).

The average liability premium for Pennsylvania is 17th highest in the nation, just 4 percent higher than the countrywide average. Perhaps more importantly, the latest data shows that only 6.6% of Pennsylvania's driving population is uninsured, the 4th lowest percentage of uninsured drivers in the country.

Most drivers that carry low limits do so because it is what they can afford. Increasing the FR limits will place a substantial number of drivers at risk for dropping coverage all together, increasing the exposure to accidents with uninsured drivers and potentially uninsured motorist coverage premiums for all drivers. These changes also would create administrative burdens, and not just new rate and form filings for insurers, consumers would not only have to buy new levels of coverage, but may need to make all new coverage elections as well.

Drivers in Pennsylvania, and all over the nation, are concerned about the economy. While this measure may not affect the premiums of the majority of drivers, its passage would surely be unwelcome news to the population of drivers who are most at risk for joining the ranks of the uninsured and we urge you to vote against it.

Sincerely,

Robert C. Passmore