

AN EVALUATION OF THE FLORIDA AUTOMOBILE NO-FAULT INSURANCE SYSTEM AFTER ENACTMENT

ABSTRACT

The Florida auto insurance tort liability system was said to be one where “insurance companies were paying too much for trivial claims and too much for legal fees, leaving too little for those who suffered serious injuries and substantial economic losses.”¹ According to the state’s House Insurance Committee, “the PIP (no-fault) law enacted in 1971 was an outgrowth of Florida’s earlier attempts to ensure the financial responsibility of drivers in the state.” This paper, prepared by the Property Casualty Insurers Association of America (PCI), provides an overview of the early stages of Florida’s no-fault system, effective on January 1, 1972, and presents data in an attempt to compare the loss experience during the tort years versus no-fault years. It also summarizes the findings of several older studies that were conducted to assess the impact of the new reparations system on costs. Finally, highlights from a more recent study on different factors affecting auto injury claim costs for four no-fault states, including Florida, are presented in the final section of this paper.

During the first several years of no-fault, the low monetary threshold in most no-fault states resulted in costs escalating even faster than in tort liability states. This caused some to say that no-fault has failed in general. However, after Florida converted its dollar threshold to an exclusively verbal threshold in 1976, the U.S. Department of Transportation asserted that no-fault reform in this state was successful.

Introduction

Since the 1960s, the auto insurance reparations system and the rules used to assess legal responsibility for motor vehicle accidents and compensate victims have been matters of serious concern. The issue has centered around the costly and time-consuming process of determining who is at fault after crashes occur. In an attempt to provide quick and fair compensation to the greatest number of injured persons without the delays, costs and uncertainty of recovery associated with the court system, no-fault legislation was introduced in the 1970s in many states. Under this type of system, the vehicle owner’s insurance company covers bodily injury expenses incurred by the driver and his or her passengers, regardless of who caused the accident.

Florida was the second of 16 states² that enacted an auto no-fault law during this period. Its law, effective January 1, 1972, included an initial \$1,000 monetary lawsuit threshold which is the economic standard to determine when a tort lawsuit can be brought to recover non-economic damages and a \$5,000 limit on no-fault benefits per person. In addition to bodily injury coverage, property damage coverage initially fell under the state’s no-fault umbrella, but it was declared

¹ “The Coming of No-Fault Insurance,” *The Miami Herald*, June 25, 1971

² Massachusetts was the first state to enact no-fault in 1970. Colorado, Connecticut, Nevada and New Jersey have since repealed their law or allowed it to sunset. Ten other states and the District of Columbia also have laws that require auto insurers to offer no-fault benefits, but these are added onto instead of replacing the existing tort liability coverages.

unconstitutional in July 1973. A 15 percent mandated rate reduction also accompanied the legislation. On October 1, 1976, the dollar threshold was changed to an exclusively verbal threshold, in which case there is a subjective degree of injury standard usually pertaining to death, permanent disability, serious disfigurement, dismemberment, etc. Another important change at that time involved mandatory offer of a deductible, up to \$2,000, on first-party personal injury protection (PIP) coverage. Even more changes occurred subsequently.³

Pre-No-Fault Period

Prior to adopting no-fault, Florida's market was a competitive one with an adequate number of auto carriers and no single writer or group large enough to unduly influence prices and availability. About 180 to 190 insurer groups offered personal and commercial auto liability coverage during the pre-no-fault years.⁴ In addition, given the fluctuation in the number of groups from year to year, it may be inferred that the ability for a company to enter or exit this state was accomplished quite easily.⁵

Despite the existence of a competitive market among insurers, the state's insurance environment was an unhealthy one. Professor Jeffrey O'Connell⁶ had this to say about the tort liability mechanism in general at a 1971 Senate hearing in Tallahassee, Fla.: "The present system is about the worst possible....cruel, corrupt, dilatory, expensive and wasteful while it goes about the business of failure."⁷ Philip A. Hart, who was senator of Michigan at this time, said the current structure was "needlessly expensive, often unfair, and generally inefficient."⁸

In an editorial in *The Miami Herald* on the tort process, "The trouble with auto insurance is that it was permitted to become a racket. The system of going to court or threatening to go to court produced a whole new breed of lawyers, each with his own stable of medical experts, who wound up as the principal beneficiaries of the auto insurance policies....Can anybody deny that the present liability system has brought on inflated claims and inflated settlements in two-bit cases because the companies figure it would be cheaper than going to court?"⁹

Lawsuits usually took from three months to a year to go to trial; more complicated ones took longer than a year. Many small nuisance suits were filed, which companies preferred to settle rather than go to court. Victims were said to wait years to receive compensation under tort, according to Frank W. Fournier, executive director of Puerto Rico's state-run no-fault plan.¹⁰ Dade County's court awards in auto accident cases were the largest in the state, perhaps even in the world,¹¹ and the number of personal injury losses that remained uncompensated was exceedingly high.¹²

³ According to a Florida House Insurance Committee background piece, the no-fault law was amended at least fifty times, ranging from technical changes in wording and definitions to major revisions of the law.

⁴ Source: A.M. Best Company

⁵ The number of groups may also change from year to year due to mergers and acquisitions of insurers.

⁶ In 1971, Jeffrey O'Connell taught law at the University of Illinois. He and Judge Robert E. Keeton are known as the "fathers of no-fault."

⁷ "How Will No-Fault Insurance Help You?," *The Miami Herald*, May 9, 1971

⁸ "Hart's No-Fault Scheme is Simply Unfair" *The Miami Herald*, May 21, 1971

⁹ "The Coming of No-Fault Insurance," *The Miami Herald*, June 25, 1971

¹⁰ "No Fault Successful, State Told," *The Miami Herald*, March 16, 1971

¹¹ "Dade Drivers Pay Top Rates and Have Biggest Headaches," *The Miami Herald*, May 9, 1971

¹² "No Fault Successful, State Told," *The Miami Herald*, March 16, 1971

A third of every premium dollar was used toward attorney fees, court costs and adjustments in determining who was at fault.¹³ Moreover, out of every dollar that was paid for insurance, only 44-45 cents were returned to the victim to pay for claims.¹⁴ In the meantime, insurance companies still were not able to make a profit. Even the largest auto carrier, State Farm Mutual Auto Ins. Co. lost \$6.4 million on its Florida business in 1970.¹⁵

Analysis of Losses

For a better understanding of the impact of no-fault on loss experience, it is important to evaluate as much statistical and/or financial information as possible. But given that Florida's no-fault reform began more than thirty years ago, very limited data exist. Nevertheless, any analysis of Florida no-fault trends must be examined cautiously since the law had numerous revisions over the years. It may therefore be misleading to compare earlier data with more recent data.

Table 1 sets forth a trend in auto loss ratios for Florida liability coverage from 1968 to 1977, compiled by A.M. Best Company. Note that data before 1972 were not separated between personal and commercial auto and, as such, the figures for all the years shown reflect both lines combined.¹⁶ Furthermore, the loss ratios reflect property damage (PD) liability, as well as bodily injury (BI) liability and PIP (after no-fault), although PD no-fault was removed in mid-1973. It is therefore not possible to fully isolate the effect on losses from no-fault alone based on these figures.

| Table 1 | | | | | | | | | |
|--|-------------|-------------|-------------|---|-------------|-------------|-------------|-------------|-------------|
| Florida Auto Liability Loss Ratios (% of earned premiums) | | | | | | | | | |
| [BI+PD and PIP (1972-1977) Coverages] | | | | | | | | | |
| 1968 | 1969 | 1970 | 1971 | 1972 (no-fault begins 1/1) | 1973 | 1974 | 1975 | 1976 | 1977 |
| 69.8% | 74.2% | 76.8% | 73.9% | 66.8% | 87.8% | 88.0% | 96.0% | 73.1% | 53.8% |

Since pre-1972 loss ratios are not available for personal auto only, data for all years reflect personal and commercial auto combined (commercial auto represents about one-fourth of the total experience). Data for 1971-1977 also include uninsured motorists coverage.

Source: A.M. Best Company

A cursory glance of Table 1 suggests that the tort liability system had a more positive impact on losses than the no-fault system although underwriting results were also negative prior to 1972.¹⁷ Except for the year in which the new law began, loss ratios during no-fault were substantially higher than pre-no-fault. These higher figures may be due to the uncertainties of transitioning to a

¹³ "Here Are Answers on No-Fault," *The Miami Herald*, May 21, 1971

¹⁴ "Prof: Let No-Fault Vie With Regular Insurance," *The Miami Herald*, March 17, 1971, and "The Coming of No-Fault Insurance," *The Miami Herald*, June 25, 1971

¹⁵ "Hearing Set on Hike in Car Policies," *The Miami Herald*, April 22, 1971

¹⁶ Commercial auto experience represents about one-fourth of the total auto experience. No-fault coverage was extended to commercial vehicles beginning in 1978.

¹⁷ The loss ratio standard is typically 65.0 percent for companies to break even. A higher loss ratio usually denotes an underwriting loss.

relatively untried system with its many innovative features and changes. Loss ratios rose dramatically during 1973-1975, but fell to a more reasonable level in 1976 and a profitable level in 1977.

The loss ratio reduction in the last two years may be due to the new reparations system being in place for several years and additional changes helping to achieve its objectives more effectively. According to one study, "Florida's implementation of a verbal threshold...resulted in a reduction in personal injury auto costs between 1977 and 1980." Moreover, "experience in Florida...shows that even a relatively high monetary threshold can be worse than traditional tort systems, ...(as they) become targets to be pierced, instead of effective means to eliminate costly and time consuming tort actions. No-fault laws which carry weak monetary thresholds are unlikely to realize cost savings and often will increase insurance costs."¹⁸

Another measurement connected to loss ratios is profitability experience. Only operating profits (i.e., underwriting profit plus investment gain/loss after federal income taxes)¹⁹ rather than underwriting profits are available for the earlier years. Florida's auto operating results are shown in Table 2 in the format presented by the National Association of Insurance Commissioners (NAIC). Because profits for 1969-1973 cannot be separated by individual year, it is impossible to make any kind of comparison between tort experience and no-fault experience. In addition, the results for the combined years reflect personal and commercial auto combined, while the results for other years reflect personal auto only.

| 1969-1973 | 1973 | 1974 | 1975 | 1976 | 1977 |
|------------------|-------------|-------------|-------------|-------------|-------------|
| -2.1% | -7% | -5% | -9% | +1.6% | +11.6% |

The data shown for the category 1969-1973 reflect all vehicles (personal and commercial); data for individual years 1973 through 1977 reflect only personal auto. All figures are shown as presented in the NAIC reports.
Source: National Association of Insurance Commissioners

What may be inferred is that the negative operating results from 1969 through 1975 indicate an underwriting loss for Florida auto insurers during this period, particularly during the no-fault years of 1973-1975. Again, this may be attributable to the experimental stage of a new program and the establishment of a weak monetary threshold. Beginning in 1976, the NAIC reported underwriting results as well as operating results, and found that the industry showed a small underwriting loss of -1.9 percent of earned premiums in 1976 (or an operating profit of +1.6%). A vast improvement took place the following year, when a verbal threshold was installed; insurers on average enjoyed a healthy underwriting gain of +8.1 percent (or an operating profit of +11.6%). All of these figures support the loss ratio levels provided above in Table 1.

¹⁸ "Reexamining the Cost Benefits of No-Fault," Brian W. Smith (Alliance of American Insurers), *CPCU Journal*, March 1989

¹⁹ *By Line By State Profitability Report*, National Association of Insurance Commissioners

Summary of Early Studies

Like elsewhere, the Florida no-fault concept was implemented as a solution to improve the traditional system and provide for a more efficient and effective compensation process for victims of auto accidents. Many studies have since been conducted to evaluate the impact of no-fault on the cost of auto insurance once the different laws were adopted in various states. This paper presents some of these conclusions, including those specific to Florida.

One of the earliest assessments of the impact of no-fault²⁰ observed that Florida's BI and PIP pure premium (i.e., loss cost or average loss per insured car) most likely increased (possibly by 10%) during the first year of reform. It is recognized however that the data analyzed were not necessarily "clean" and results were not consistent among companies. Because of the limited development of the data studied, the researchers asserted: "it is still uncertain how the Florida 1972 accident-year experience will evolve... Only time will tell."

A few years later, Conning & Company²¹ surveyed 18 major auto insurers to study the effect of the first-party PIP coverage in 12 no-fault and add-on states. Loss experience was collected and adjusted to remove certain external factors (e.g., the oil crisis in 1974 and inflation) that would have taken place even without no-fault to produce a net effect that may logically be due to the new system. Table 3 presents both adjusted and unadjusted loss cost percent changes since the last year of tort (1971). Conning found that loss costs from insurers representing 36 percent of the Florida market share were reduced substantially during the first year of no-fault (i.e., adjusted: -17.9%, and unadjusted: -13.0%), but started rising rapidly in subsequent years. Overall, costs stemming from the new law itself (i.e., adjusted) rose 26.0 percent during the first five years. The cost of PIP benefits in Florida was also found to increase at a greater rate than costs in liability states.

Table 3
Florida Loss Cost Changes
Percent Changes Compared to 1971 (Last Year of Tort)

| | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|--------|--------|--------|--------|--------|
| Adjusted (attributable to no-fault alone) | -17.9% | +5.3% | +15.5% | +28.5% | +26.0% |
| Unadjusted | -13.0% | +16.4% | +26.4% | +62.9% | +71.3% |

No-fault effective 1/1/72; above data are evaluated as of March of each year.

Coverages include BI, MP, UM (pre-no-fault), and PIP (post no-fault). To remove the effect of inflation, gasoline shortage, etc. that would have occurred even if no-fault did not exist, accident year loss costs were adjusted using loss trends in five tort liability states (CA, LA, MO, OH and IN). Hence, the adjusted changes shown are not absolute, but are relative to cost increases in these states.

Source: Conning & Company

²⁰ "First-Year Cost Results Under No-Fault Automobile Insurance: A Comparison of the Florida and Massachusetts Experience," by Calvin H. Brainard and John F. Fitzgerald, *The Journal of Risk and Insurance*, March 1974

²¹ *An Evaluation of No-Fault Automobile Insurance Costs*, Conning & Company, November 1977

Another observation from the Conning study is that during the first year of no-fault, Florida's reduction in loss cost was one of the largest among the states examined. Its changes during the second and third years were ranked in the middle compared to other states' changes. However, in the fourth and fifth years after no-fault took place, Florida had one of the highest – if not the highest – loss cost changes compared to other states with PIP coverage for that length of time.²² It should be noted, though, that each state may have had different revisions affecting its no-fault law at different periods of time, thus influencing individual loss costs and percent changes.

A subsequent study done in 1983 confirmed the high cost changes resulting from Florida's and other states' no-fault laws. According to two academicians,²³ Bernard Webb and Claude Lilly, a general conclusion made about no-fault was as follows: "It is clear that no-fault automobile insurance has failed to provide the reductions in insurance costs promised by its promoters....no-fault insurance has brought rapid increases in insurance costs." They found that more people did receive payment under no-fault than under the tort liability system, but most likely they would have been reimbursed under other programs. "At best, PIP merely replaced those sources of reimbursement which would otherwise have been available to the injured persons."

With respect to Florida, Professors Webb and Lilly stated that costs were reduced slightly and for the short term when verbal threshold was established. Because benefits were reduced at the same time,²⁴ it is not possible to determine how much of the cost reduction was due to the change in the threshold versus the change in the benefit level. "The only conclusion that can reasonably be drawn from the Florida data is that it is possible to reduce the cost of no-fault insurance by reducing the benefits provided." But "... (cost) reductions proved to be very temporary, and costs have been spiraling upward...in recent years." The researchers did not appear to adjust costs as Conning did.

In 1984, the Alliance of American Insurers, which is now part of the PCI, published a report²⁵ examining relative changes in injury coverage costs under no-fault. Similar to Conning, different states' loss costs were estimated under the assumption that no-fault had not been enacted. In this case, hypothetical tort loss costs were compared to actual no-fault loss costs. Having access to a later period than that used by Conning, the Alliance found the 1982 no-fault cost in Florida to be about 21 percent lower than what the injury costs would have been under a tort system. A follow-up review concluded that the 1987 cost would have been 16 percent lower under no-fault than under tort.²⁶ Compared to the earlier analysis, it was mentioned that "Florida's costs have increased faster than the average tort state since the last study."

The Alliance commented on the difficulty in sorting out the impact that different types of negligence rules have on claim settlements. Florida had a contributory negligence rule until 1973,

²² In the Conning study, a total of seven and four states with PIP coverage in effect for four and five years, respectively, were examined.

²³ *No-Fault – The Record: Promise v. Performance; Myth v. Reality*, Bernard L. Webb (Georgia State University) and Claude C. Lilly (Florida State University), August 1983, pp. vi, 28, and 32

²⁴ In 1977, Florida medical benefits and wage-loss benefits were reduced to 80 percent of incurred expenses and 60 percent of loss wages, respectively.

²⁵ *The Cost of No-Fault*, Alliance of American Insurers, 1984

²⁶ "Reexamining the Cost Benefits of No-Fault," Brian W. Smith (Alliance of American Insurers), *CPCU Journal*, March 1989

when it converted to a comparative negligence rule. Moreover, the effectiveness of no-fault auto insurance cannot be measured strictly in terms of costs. Any consideration of no-fault also needs to be made in light of findings related to claims settlements, level of attorney involvement, number of court cases, tort savings versus add-on costs, the disparity in the treatment of claims, etc.

In 1977 and again in 1985, the U.S. Department of Transportation (DOT) also researched the issue of auto no-fault insurance.²⁷ It developed the following conclusions in its follow-up report:

- Significantly more motor vehicle accident victims receive auto insurance compensation in no-fault states than in other states.
- In general, accident victims in no-fault states have access to a greater amount of money from auto insurance than victims in traditional states.
- No-fault auto insurance laws do not lead to more accidents.

Table 4 lists 1976 and 1983 average auto insurance premiums for no-fault states that were presented in the DOT report. Included are the percentage changes during this time, showing that Florida's premium growth was lower than most other no-fault states. It should be kept in mind that in addition to Florida's many changes and amendments to its no-fault law, other states most likely had revisions to their laws as well.

| State | 1976 Premium | 1983 Premium | Percent Change |
|----------------|-----------------|-----------------|----------------|
| Florida | \$167.78 | \$229.05 | 36.5% |
| Colorado | \$84.00 | \$163.53 | 94.7% |
| Connecticut | \$170.07 | \$289.32 | 70.1% |
| Georgia | \$98.69 | \$163.19 | 65.4% |
| Hawaii | \$122.84 | \$456.50 | 271.6% |
| Kansas | \$70.51 | \$131.41 | 86.3% |
| Kentucky | \$87.45 | \$115.57 | 32.2% |
| Massachusetts | \$206.29 | \$285.32 | 38.3% |
| Michigan | \$93.60 | \$153.72 | 64.2% |
| Minnesota | \$108.43 | \$188.07 | 73.4% |
| New Jersey | \$157.09 | \$487.21 | 210.1% |
| New York | \$185.23 | \$328.22 | 77.1% |
| North Dakota | \$65.12 | \$100.85 | 54.9% |
| Pennsylvania | \$109.84 | \$249.81 | 127.4% |
| Utah | \$84.77 | \$123.94 | 46.2% |

Source: U.S. Department of Transportation, based on data from the Fast Track Monitoring System (a quarterly report of loss and premium trends developed by the PCI, Insurance Services Office, Inc. and National Independent Statistical Service)

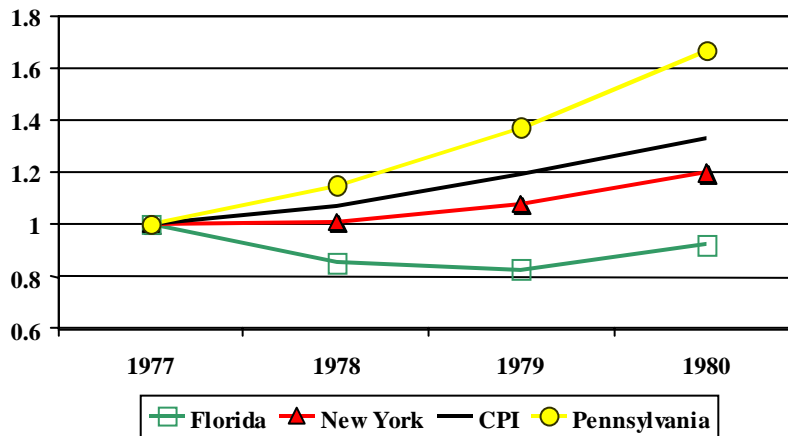
²⁷ *Compensating Auto Accident Victims: A Follow-Up Report on No-Fault Auto Insurance Experiences*, U.S. Department of Transportation, May 1985

Moreover, Florida was found to have the lowest pure premium increase for personal injury coverages from 1975 to 1982 compared to other no-fault states. Florida's increase was 26.6 percent, while other no-fault states' changes ranged from a low of 50.3 percent (in Utah) to a high of 263.9 percent (in New Jersey).

According to the DOT, exclusively verbal thresholds are successful, much more so than monetary thresholds. This was evidenced by the decline in the number of cases going to trial. As former Florida insurance commissioner Bill Gunter reported in December 1981: "Florida no-fault has dramatically reduced litigation resulting from traffic accidents. With the adoption of a verbal threshold in 1976, the percentage of automobile negligence suits to total cases decreased 58.3 percent in Dade County and 39.3 percent in Duval County circuit courts over the four-year period ending in 1980."²⁸

The success of a verbal threshold can also be seen in the chart below, which illustrates the trends in personal injury auto insurance costs of three states and the rate of inflation from 1977 to 1980. Florida and New York are two states that changed their monetary thresholds to exclusively verbal thresholds,²⁹ while Pennsylvania had an eroding dollar threshold during this period. Due to Florida's and New York's no-fault reform, including the change to a verbal threshold, PIP and BI liability coverage costs increased at rates lower than the U.S. consumer price index (CPI). In contrast, Pennsylvania's costs grew nearly 70 percent during this time, quickly outpacing the national rate of inflation and injury costs in Florida and New York.

Trends in Personal Injury Auto Insurance Cost



Source: U.S. Department of Transportation

²⁸ Ibid.

²⁹ The exclusively verbal threshold in New York became effective in 1978; it replaced a \$500 dollar threshold.

Another finding pertinent to Florida's no-fault reform was that 45.7 percent of each dollar was paid as compensation for economic losses; this is slightly higher than the average 44 percent used to compensate accident victims for their losses in tort liability states. The DOT concluded, "according to the 1983 results, a no-fault system is 16.2% more efficient than a traditional system, with respect to returning money paid as premiums to victims in the form of benefits or damages."

Two other academicians examined no-fault from a more general viewpoint³⁰ and developed these findings: "a no-fault system tends to increment the benefits provided to consumers of auto insurance on a relative basis, and it tends to compensate more accident victims than the tort liability system." "...a no-fault compensation system for auto accident victims appears to have some of the socio-economic merits that its supporters have alleged." But "a no-fault system appears to be relatively less efficient in providing benefits to consumers in competitive states than in non-competitive ones, at least in the short run. This may be due to the possibility that insurers operate more efficiently in competitive rate states than non-competitive ones, so there would be less room for improvement.it also increases the variability of losses relatively more in competitive rate states."

A More Recent Study on No-Fault

In 2004, the Insurance Research Council examined different factors affecting auto injury claim costs for four no-fault states (including Florida) using information from its auto closed claims database.³¹ Highlights of the study include:

- Average economic losses (medical expense, wage loss and other out-of-pocket expenses) in Florida PIP claims rose 37 percent from 1997 to 2000 (compared to Colorado, 122%; Michigan, 2%; and New York, 60%).
- Average PIP payments in Florida increased 24 percent (compared to Colorado, 119%; Michigan, 7% and New York, 47%).
- The most serious injuries were sprains and strains, affecting about two-thirds of PIP claimants in Florida, Colorado and New York (compared to one-half of Michigan claimants). Florida's PIP losses for these injuries were higher than Michigan but lower than Colorado and New York.
- More than one-third of PIP claimants in Florida, Colorado and New York went to chiropractors (compared to 13% of claimants in Michigan).
- Florida chiropractors charged the highest average total amount per PIP claimant (\$4,837) and per visit (\$243), compared to the other three states.
- Attorneys were more likely to be involved in PIP claims in Florida (34%) and New York (36%) than in Colorado (15%) or Michigan (7%).

³⁰ "A Comparative Economic Analysis of Tort Liability and No-Fault Compensation Systems in Automobile Insurance," Robert C. Witt and Jorge Urrutia, *The Journal of Risk and Insurance*, December 1983, Volume L, No. 4

³¹ *Analysis of Auto Injury Insurance Claims From Four No-Fault States: Colorado, Florida, Michigan, New York*, Insurance Research Council, October 2004

- Out of the four states, Florida had the lowest proportion of BI claimants (29%) with a serious verifiable injury.
- More than half of the BI claimants in Florida and New York overcame their state's verbal threshold even though they had not sustained a serious verifiable injury. In Florida, payments to these claimants accounted for 38 percent of all BI payment dollars, compared to 28 percent in New York.
- In Florida, average BI payments were 7 percent higher than losses. (Payments were 59% higher than losses in New York and 25% lower in Colorado; they were about the same in Michigan.)
- The percentage of BI claimants who hired attorneys declined in Florida, Colorado and Michigan from 1997 to 2002, but increased slightly in New York. Represented BI claimants in all four states received more diagnostic procedures, visited more medical professionals, and averaged more visits to medical providers than those without an attorney. Hence, medical losses for represented BI claimants were at least 70 percent higher than for non-represented claimants.
- The average net BI payment (after deducting economic losses and applicable legal fees) that claimants received was higher in each state for BI claimants without attorneys compared to those with attorneys. Non-represented BI claimants' average net BI payment was higher by \$4,259 in Florida and by \$8,179 in Colorado compared to represented claimants.

The Property Casualty Insurers Association of America (PCI) is a trade association consisting of more than 1,000 insurers of all sizes and types, and representing 39.4 percent of the total property/casualty insurance business and 50.5 percent of the total personal auto business in the nation. In Florida, PCI members represent 54.3 percent of the personal auto market.