



Policy Backgrounder: Auto Insurance

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Florida law requires all motorists to have two types of car insurance coverage: first, drivers must have at least \$10,000 of [Personal Injury Protection, or PIP coverage](#), required by the [Florida Motor Vehicle No-Fault Law](#) and at least \$10,000 of property damage liability insurance to cover damage to other drivers' vehicles or other property. Vehicles registered as taxis must carry minimum amounts of bodily injury coverage.

PIP

Florida is one of several states with Personal Injury Protection, or PIP coverage, in its car insurance market. PIP is a required no-fault coverage that provides injured drivers up to \$10,000 in immediate medical coverage without a need to establish fault through the court system. The goal was to speed up payments for injured drivers and limit the use of the court system. The PIP requirement has been in place since 1972 and Florida was the second state in the country to adopt a no-fault motor vehicle insurance plan.

But PIP has been heavily criticized for decades for drawing bogus claims, including a 2000 Statewide Grand Jury report that found "rampant fraud in the system." After about 20 years of trying, the Legislature finally managed to pass a bill ([SB 54](#)) in 2021 to repeal the PIP system - but Gov. Ron DeSantis vetoed it, heeding warnings from insurance companies that the measure could actually increase premiums. "While the PIP system has flaws and Florida law regarding bad faith is deficient, (SB 54) does not adequately address the current issues facing Florida drivers and may have unintended consequences that would negatively impact both the market and consumers," DeSantis [wrote in his veto letter](#). The American Property Casualty Insurance Association [said the cost increase could have been as much as 23%](#) for some drivers. The measure's sponsor, Sen. Danny Burgess, had argued however that rates would decrease without PIP, referring to a 2016 Office of Insurance Regulation study that suggested that. But another OIR-commissioned study, [found the proposal would raise premiums by about \\$200 a month on average](#) and drivers with the cheapest coverage could see much higher increases.

The Law

The statutes governing auto insurance are found in [Chapters 624-627 of the Florida Statutes](#).

Additional Resources

[FLOIR Auto Insurance page](#)

[Florida Senate 2006 Interim Report on Florida Motor Vehicle No-Fault Law](#)