

FLORIDA HOUSE OF REPRESENTATIVES BILL ANALYSIS

This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.

BILL #: [HB 1181](#)

TITLE: Motor Vehicle Insurance

SPONSOR(S): Alvarez, D., Weinberger

COMPANION BILL: [SB 1256](#) (Grall)

LINKED BILLS: None

RELATED BILLS: None

Committee References

[Civil Justice & Claims](#)

13 Y, 2 N



[Insurance & Banking](#)



[Judiciary](#)

SUMMARY

Effect of the Bill:

HB 1181 repeals the personal injury protection (“PIP”) coverage requirement under Florida’s Motor Vehicle No-Fault Law and increases the minimum bodily injury liability coverage limits from \$10,000 per person and \$20,000 per incident to \$25,000 per person and \$50,000 per incident; however, the minimum property damage liability coverage limit remains unchanged at \$10,000. The bill also increases the minimum security amounts for persons choosing self-insurance to meet the financial responsibility requirements.

Fiscal or Economic Impact:

The bill may have a fiscal impact on the state court system and the Office of Insurance Regulation (“OIR”); however, the bill makes an appropriation of \$83,651 in non-recurring funds from the Insurance Regulatory Trust Fund to OIR to address changes made by the bill. The bill may also have an indeterminate economic impact on the private sector. Whether such impact is positive or negative depends on whether the changes made by the bill increase or decrease motor vehicle insurance premiums, and whether or not the elimination of PIP coverage results in the timely and sufficient reimbursement of the medical expenses incurred by persons injured in automobile accidents.

[JUMP TO](#)

[SUMMARY](#)

[ANALYSIS](#)

[RELEVANT INFORMATION](#)

[BILL HISTORY](#)

ANALYSIS

EFFECT OF THE BILL:

Personal Injury Protection Coverage Repeal

The bill repeals [Florida’s Motor Vehicle No-Fault Law](#), effectively eliminating the [personal injury protection \(“PIP”\) coverage](#) requirement in Florida. Under the bill, such coverage would not even be optional in the state, as insurers would be prohibited from offering the product as part of any motor vehicle insurance policy. (Sections [1](#), [2](#), and [46](#)).

Further, by repealing PIP, the bill eliminates PIP’s [tort liability limitation](#). Thus, under the bill, if a driver were to cause a motor vehicle accident, he or she would be fully liable for any damages resulting therefrom; to put it another way, a person injured in a motor vehicle accident caused by another would no longer be required to seek recovery from his or her own insurer and could instead sue the at-fault driver for any damages he or she sustained, regardless of the seriousness of the injury he or she suffered. Consistent with this change, the bill removes the [conditional exclusion of non-economic damages](#) for pain, suffering, mental anguish, and inconvenience and allows [punitive damages](#) awards; beginning July 1, 2026; the bill also makes [uninsured motorist coverage](#) insurers liable for non-economic damages, including pain and suffering, disability or physical impairment, disfigurement, mental anguish, inconvenience, and the loss of capacity for the enjoyment of life experienced in the past and to be experienced in the future. (Section [44](#)) However, the bill leaves in place the ability of a Florida driver to purchase optional [medical payments coverage](#), which could take the place of PIP in the event the insured is unable to recover under another driver’s liability policy. (Section [47](#))

Financial Responsibility Requirements

STORAGE NAME: h1181a.CIV

DATE: 3/27/2025

In conjunction with the bill's repeal of the PIP coverage requirement, the bill modifies the coverage requirements under the [Financial Responsibility Law](#) for persons owning or registering [motor vehicles](#) in Florida. Specifically, the bill provides that, beginning July 1, 2026, proof of compliance with the Financial Responsibility Law as to [bodily injury \("BI"\) liability coverage](#) is required at the time of motor vehicle registration,¹ instead of post-registration or at the time of an accident as is currently required.² (Sections [6](#), [12](#), and [15](#)) The bill also increases the minimum BI liability coverage limits from \$10,000 per person and \$20,000 per incident to \$25,000 per person and \$50,000 per incident, but the minimum [property damage \("PD"\) liability coverage](#) limit remains unchanged at \$10,000.³ This results in required 25/50/10 coverage in most instances. (Section [14](#))

Additionally, the bill increases the minimum security amounts for self-insurance in order to satisfy the financial responsibility requirements. Specifically, the bill increases certificate of [security deposit](#) requirements for individuals and businesses⁴ from \$30,000 per vehicle (up to a maximum of \$120,000) to \$60,000 per vehicle (up to a maximum of \$240,000). (Sections [18](#) and [24](#)) Additionally, self-insured persons and businesses must maintain a motor vehicle liability policy in excess of the certificate of security deposit providing bodily injury coverage of \$125,000 per person, \$250,000, per accident, and \$50,000 for property damage, or \$300,000 combined property damage and bodily injury coverage. (Section [18](#)) The bill then increases [certificate of self-insurance](#) minimum unencumbered net worth requirements from:

- \$40,000 to \$100,000 for individuals; and
- \$40,000 for the first vehicle and \$20,000 for each additional vehicle to \$100,000 and \$50,000, respectively, for businesses.⁵ (Section [25](#))

Further, the bill:

- Increases minimum security limits for garage liability insurance from a \$25,000 combined single limit for BI and PD to a \$60,000 combined limit. (Section [8](#) and [9](#))
- Leaves for-hire passenger transportation vehicles at the current 125/250/50 coverage minimums. (Section [19](#))
- Requires shared vehicle owners and shared vehicles drivers participating in a peer-to-peer car sharing program to have insurance policies that meet or exceed the required 25/50/10 coverage. (Section [52](#))
- As to commercial vehicles:
 - Increases minimum combined BI/PD coverage limits for commercial vehicles between 26,000 pounds and 35,000 pounds from \$50,000 per occurrence to \$60,000 per occurrence;
 - Increases minimum combined BI/PD coverage limits for commercial vehicles 35,000 pounds or more but less than 44,000 pounds from \$100,000 per occurrence to \$120,000 per occurrence; and
 - Leaves minimum combined BI/PD coverage limits for commercial vehicles 44,000 pounds or more at \$300,000 per occurrence. (Section [49](#))
- Leaves the required primary liability coverage minimum for autonomous vehicles at \$1,000,000 for death, bodily injury, and property damage. (Section [53](#))
- Leaves minimum coverage limits for non-public-sector buses at the current 100/300/50 or combined 300 amounts. (Section [13](#))

¹ Proof of compliance with the Financial Responsibility Law at the time of registration does not change for motorcycles. However, within 30 days after receipt of a specified notice of accident involving a motorcycle within this state, under the bill, the DHSMV must suspend the motorcycle operator's license and all registrations of the motorcycle's owner unless such operator or owner is found to be exempt from such requirement or otherwise had in effect at the time of the crash a motor vehicle liability policy with respect to all of the registered motorcycles owned by such operator or owner. For the purposes of the suspension provision, the term "motor vehicle" includes motorcycles. (Section [20](#))

² The bill also provides that a driver license or motor vehicle registration suspension for failure to maintain security under the Financial Responsibility Law in effect before July 1, 2026, remains in full force and effect after July 1, 2026. Under the bill, a driver may reinstate such a suspended driver license or registration after July 1, 2026, by showing proof of compliance with the amended Financial Responsibility Law and paying a fee. (Sections [16](#) and [21](#))

³ The bill also increases the combined coverage limit minimum of \$30,000 for property damage and bodily injury liability coverage to \$60,000. (Section [8](#))

⁴ The bill requires that proof of the certificate of deposit maintained in a financial institution insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration be submitted annually to the DHSMV. (Section [24](#))

⁵ In the alternative, businesses may still qualify for self-insurance by maintaining a sufficient net worth in an amount determined annually by the DHSMV. (Section [25](#))

- Leaves minimum transportation network company coverage limits at 50/100/25 when logged on to the network but not engaged with a rider and \$1 million when engaged in a prearranged ride. (Section [51](#))

Coverage Transition

The bill provides for the transition of motor vehicle insurance policies from PIP coverage to BI/PD coverage if the policies were issued before July 1, 2026, but still in force on that date and prohibits policies issued on or after July 1, 2026, from including PIP coverage. Under the bill, policies that were issued in compliance with the law in place at the time of issuance are deemed to meet the new requirements until renewed, non-renewed, or canceled. Insurers must also allow policyholders with PIP coverage to obtain BI coverage that complies with the changes made by the bill without charge other than any payments for increased premium due, and refunds for decreased premiums are also required. (Section [46](#))

Notice Requirements

The bill requires insurers to give notice, by April 1, 2026, informing motor vehicle insurance policyholders that, effective July 1, 2026:

- PIP is repealed.
- The insured is no longer required to carry PIP coverage.
- PIP is no longer available for purchase.
- New or renewal coverage will not include PIP.
- New BI requirements begin, with minimum coverage limits of 25/50/10.
- An insured may obtain uninsured/underinsured motorist coverage to protect themselves from damages caused by an uninsured/underinsured driver.
- Policies that comply with the requirements of law at the time of issue are deemed to meet the new requirements, until the policy is renewed, non-renewed, or canceled.
- Insureds may change their policies to comply with the new requirements.
- Insureds may contact the person specified in the notice at the telephone number provided with any questions.

The notice is subject to OIR's approval. (Section [46](#))

Rate Filings

The bill provides that insurer rate filings for motor vehicle liability submitted to OIR on or after July 1, 2026, must be based on the new BI/PD coverage requirements and may only be approved through the file and use approval process.⁶ (Section [38](#))

Information Disclosure by Insurer

The bill authorizes the filing of an enforcement action if an insurer fails to comply with the information disclosure requirements of [s. 627.4137, F.S.](#) In pertinent part, that section requires an insurer providing liability insurance coverage to provide, within 30 days after the written request of a claimant or the claimant's attorney, a statement, under oath, setting forth the following information:

- The name of the insurer;
- The name of each insured;
- The limits of the liability coverage;
- A statement of any policy or coverage defense which the insurer reasonably believes it has available; and
- A copy of the policy.

Under the bill, if a court determines that an insurer violated such information disclosure requirements, a claimant is entitled to an award of reasonable attorney fees and costs to be paid by the insurer. (Section [42](#))

⁶ In the file and use approval process, an insurer must file its proposed rates with OIR and have them approved before the rates may be implemented. In contrast, under the use and file method, an insurer may implement new rates before getting OIR's approval.

Appropriation

The bill appropriates the sum of \$83,651 in nonrecurring funds from the Insurance Regulatory Trust Fund to OIR to implement changes made by the bill. (Section [60](#))

Miscellaneous Provisions

The bill:

- Makes conforming changes to numerous sections of law.
- Provides an effective date of July 1, 2026, except as otherwise provided. (Section [61](#))

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The bill may have a fiscal impact on the state court system to the extent that it increases the number of tort lawsuits filed. The bill may also have a fiscal impact on the Office of Insurance Regulation (“OIR”); however, the bill makes an appropriation of \$83,651 in non-recurring funds from the Insurance Regulatory Trust Fund to OIR to address changes made by the bill.

PRIVATE SECTOR:

The bill may have an indeterminate economic impact on the private sector. Whether such impact is positive or negative depends on whether the changes made by the bill increase or decrease motor vehicle insurance premiums, and whether or not the elimination of PIP coverage results in the timely and sufficient reimbursement of the medical expenses incurred by persons injured in automobile accidents.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

General Tort Law

The main purpose of Florida’s civil justice system is to properly and fairly redress the civil wrongs committed throughout the state. A functioning civil justice system, when it operates justly:

- Provides a fair and equitable forum to resolve disputes;
- Discourages persons from resorting to self-help methods to redress wrongs;
- Appropriately compensates legitimately harmed persons;
- Shifts losses to responsible parties;
- Provides incentives to prevent future harm; and
- Deters undesirable behavior.⁷

A goal of the civil justice system is to redress tortious conduct, or “torts” – that is, wrongs for which the law provides a remedy. Torts are generally divided into three categories, as follows:

- An intentional tort, examples of which include assault, battery, or false imprisonment.⁸
- Recklessness, which is behavior so careless that it is considered an extreme departure from the care a reasonable person would exercise in similar circumstances.⁹
- Negligence, which is the failure to behave with the level of care that an ordinary prudent person would have exercised under the same circumstances.¹⁰ To prevail in a negligence lawsuit, the plaintiff must show that the:
 - Defendant had a legal duty of care requiring the defendant to conform to a certain standard of conduct for the protection of others, including the plaintiff, against unreasonable risks;
 - Defendant breached his or her duty of care by failing to conform to the required standard;

⁷ Cf. Am. Jur. 2d Torts s. 2.

⁸ Legal Information Institute, *Intentional Tort*, https://www.law.cornell.edu/wex/intentional_tort (last visited Mar. 27, 2025).

⁹ Legal Information Institute, *Reckless*, <https://www.law.cornell.edu/wex/reckless> (last visited Mar. 27, 2025).

¹⁰ Legal Information Institute, *Negligence*, <https://www.law.cornell.edu/wex/negligence> (last visited Mar. 27, 2025).

- Defendant’s breach caused the plaintiff to suffer an injury; and
- Plaintiff suffered actual damage or loss resulting from such injury.¹¹

Financial Responsibility Law

All states have financial responsibility laws requiring persons involved in motor vehicle accidents, or who commit serious traffic violation, to furnish proof of **bodily injury (“BI”)** and **property damage (“PD”)** liability insurance at the time of the accident or violation. Such insurance generally covers damages to the person or property of another resulting from a motor vehicle accident caused by the insured, and limits the insured’s personal liability should he or she be sued in connection with the accident to amounts exceeding the policy limits; however, required minimum coverage amounts vary among the states.¹²

Florida’s **Financial Responsibility Law** generally requires proof of ability to pay monetary damages for BI and PD liability arising out of a **motor vehicle** accident or serious traffic violation.¹³ Under Florida law, the owner or operator of a motor vehicle must show proof of PD liability coverage at the time he or she registers the vehicle in Florida.¹⁴ However, such person is generally not required to show proof of BI liability coverage at the time of vehicle registration; instead, proof of such coverage is typically only required after an accident.¹⁵ At that time, a driver proves financial responsibility by furnishing an active motor vehicle liability insurance policy meeting the minimum coverage requirements, a certificate showing a qualifying security deposit made with the Department of Highway Safety and Motor Vehicles (“DHSMV”), or proof of qualifying self-insurance.¹⁶ Where a driver does not comply with the Financial Responsibility Law, his or her driver’s license and vehicle registration may be suspended.¹⁷

Specifically, under the Financial Responsibility Law, a motor vehicle owner or operator must hold minimum:

- BI liability coverage of at least \$10,000 in the event of the bodily injury to or death of one person and \$20,000 in the event of the bodily injury to or death of two or more persons; and
- PD liability coverage of at least \$10,000, in the event of damage to property of others; or
- \$30,000 in combined BI and PD liability coverage.¹⁸

These coverage amounts are often referred to in a summary manner as \$10,000/\$20,000/\$10,000 or 10/20/10.

Further, businesses that choose to self-insure must make a **security deposit** of \$30,000 per vehicle, up to a maximum of \$120,000, with the DHSMV and maintain excess insurance with limits of \$125,000/\$250,000/\$300,000. Individuals that choose to self-insure must deposit \$30,000 with the DHSMV. Individuals and businesses can also obtain a **certificate of self-insurance** to satisfy the financial responsibility requirements; however, individuals choosing this option must have an unencumbered net worth of \$40,000, while businesses choosing this option must have either an unencumbered net worth of \$40,000 for the first vehicle and \$20,000 for each additional vehicle or a sufficient net worth as determined by DHSMV rule.¹⁹

¹¹ 6 *Florida Practice Series* s. 1.1; see *Barnett v. Dept. of Fin. Serv.*, 303 So. 3d 508 (Fla. 2020).

¹² Florida Department of Financial Services, *Personal Automobile Insurance Overview*, <https://www.myfloridacfo.com/division/consumers/understanding-insurance/personal-automobile-insurance-overview> (last visited Mar. 27, 2025).

¹³ “Motor vehicle” generally means every self-propelled vehicle that is designed and required to be licensed for use on the highway, but the term does not include electric bicycles, mopeds, or farm tractors.
[Ch. 324, F.S.](#)

¹⁴ [S. 320.02, F.S.](#)

¹⁵ Exceptions apply where the person registering the motor vehicle has been found guilty of or entered a plea of guilty or no contest to a charge of driving under the influence under s. [316.193, F.S.](#) In such a case, the person registering the vehicle must show that he or she has minimum BI liability coverage of \$100,000 for the death of or injury to one person arising from a motor vehicle accident and \$300,000 for the death of or injury to any two or more persons arising from a motor vehicle accident. Ss. [320.02](#), [324.011](#), and [324.021, F.S.](#)

¹⁶ Ss. [324.031](#), [324.061](#), [324.161](#), and [324.171, F.S.](#)

¹⁷ S. [324.0221\(2\), F.S.](#)

¹⁸ S. [324.022, F.S.](#)

¹⁹ Currently, the applicable rule provides that \$40,000 for the first vehicle and an amount less than \$20,000 for each additional vehicle is sufficient if the applicant carries excess insurance in the amounts of \$25,000/\$50,000/\$100,000. The amount applicable to each additional vehicle is set annually under a rule adopted by OIR. [Rule 15A-3.011, F.A.C.](#)

Personal Injury Protection Coverage

According to a recent survey, 14 states (including Florida) and Puerto Rico require motorists to carry, in addition to BI and PD liability coverage, no-fault insurance known as [personal injury protection \(“PIP”\) coverage](#); five states and the District of Columbia make PIP coverage optional.²⁰ Where it is available, PIP provides to the covered person immediate medical, surgical, funeral, and disability insurance benefits up to the coverage limits after a motor vehicle accident, regardless of who caused the accident.²¹

[Florida’s Motor Vehicle No-Fault Law](#) (“No-Fault Law”) requires all owners or registrants of motor vehicles with four or more wheels, except school buses, limos, and taxicabs, to carry PIP insurance, which covers up to \$10,000 in emergency medical and disability benefits (limited to \$2,500 in medical benefits for non-emergency medical conditions) and \$5,000 in death benefits, along with 60 percent of income lost due to disability and replacement services for household task the injured person would have handled but is now unable to perform (not to exceed the \$10,000 overall benefit limit).²² Where medical benefits are awarded, PIP covers 80 percent of reasonable medical expenses paid to eligible medical providers; however, medical benefits are paid only if initial treatment is received within 14 days of the accident, and massages and acupuncture are not covered.²³

PIP coverage extends to the named insured, relatives of the named insured living in the same household, persons operating the vehicle, and passengers in the vehicle, and it also protects a covered person struck and injured outside a vehicle.²⁴ In return for providing such benefits, the No-Fault Law [limits the tort liability](#) of an at-fault driver in connection to a motor vehicle accident; instead, each person involved in the accident generally must seek reimbursement of their medical expenses and related damages under their own PIP insurance, unless an exception applies.²⁵ Further, the No-Fault Law provides a [conditional exclusion](#) prohibiting recovery under a PIP policy for certain [non-economic damages](#),²⁶ including pain and suffering, mental anguish, and inconvenience, and prohibits the award of [punitive damages](#).²⁷

Critics of the No-Fault Law argue that the \$10,000 PIP coverage limit, unchanged since the 1970s, is insufficient to cover current medical costs. Further, one recent study notes that Florida currently has the highest average annual cost for minimum motor vehicle insurance coverage, with an average premium of \$1529 per vehicle per year; the states with the next four highest averages (that is, New Jersey, Michigan, New York, and Delaware) also have mandatory PIP coverage requirements.²⁸

Recent Legislative Reforms

After a statewide grand jury found evidence of rampant PIP fraud in Florida’s insurance market, the Florida Legislature began a years-long effort to reform PIP insurance.²⁹ Initially, in 2003, the Legislature provided for PIP

²⁰ According to the survey, PIP is required in Delaware, Florida, Hawaii, Kansas, Kentucky, Massachusetts, Michigan, Minnesota, New Jersey, New York, North Dakota, Oregon, Pennsylvania, Utah, and Puerto Rico; PIP is option in Arkansas, Connecticut, Maryland, Texas, Washington State, and Washington, D.C. Penny Gusner, *What Is Personal Injury Protection (PIP) And Do You Need It?*, <https://www.forbes.com/advisor/car-insurance/pip-guide/> (last visited Mar. 27, 2025).

²¹ *Id.*

²² S. [627.7275, F.S.](#)

²³ Insurers may limit reimbursements to a fee schedule tied to the Medicare allowed amount. For many services, 80 percent of 200 percent of the Medicare allowed amount is the standard reimbursement. S. [627.736\(5\)\(a\)1., F.S.](#)

²⁴ This includes non-resident owners who keep a vehicle in Florida for more than 90 days out of the previous 365 days. S. [627.733\(2\), F.S.](#)

²⁵ An injured person may still sue the at-fault driver if the injured person suffers significant and permanent loss of an important bodily function; permanent injury within a reasonable degree of medical probability; significant and permanent scarring or disfigurement; or death. Even in such suits, the injured party has no right to recover any damages for which PIP benefits are paid, or payable.

²⁶ “Non-economic damages” are intangible harms, for which a dollar value is not readily attributable. Justia, *Non-Economic Damages in Personal Injury Lawsuits*, <https://www.justia.com/injury/negligence-theory/non-economic-damages/> (last visited Mar. 27, 2025).

²⁷ “Punitive damages” are damages designed to punish a wrongdoer. Such damages are usually only awarded where the plaintiff can show that the defendant’s misconduct was willful or wanton. Legal Information Institute, *Punitive Damages*, https://www.law.cornell.edu/wex/punitive_damages (last visited Mar. 27, 2025).

²⁸ Gusner, *supra* note 13.

²⁹ The grand jury found evidence that such fraud included: 1) illegal solicitation of accident victims for the purpose of filing for PIP benefits and motor vehicle tort claims; (2) brokering patients between doctors, lawyers, and diagnostic facilities; (3) billing insurance companies for

repeal through a sunset provision effective October 1, 2007; after the Governor vetoed a subsequent bill extending PIP's sunset period, PIP expired in 2007.³⁰ However, the Legislature then revived PIP, effective January 1, 2008, in a 2007 Special Session,³¹ and subsequently revised the PIP law over several years.³² Revisions to PIP in these years included:

- Establishing requirements for and limiting access to motor vehicle crash reports;
- Limiting medical services, reimbursement, and eligible providers;
- Requiring provider licensing;
- Requiring pre-suit demand letters;
- Increasing criminal penalties;
- Defining certain activities by claims handlers as unfair and deceptive trade practices;
- Limiting benefits for emergency and non-emergency medical conditions;
- Clarifying the application of the PIP medical reimbursement fee schedule;
- Allowing for the reimbursement of certain healthcare clinics for PIP-related medical services;
- Requiring rate filings with reduced PIP premiums; and
- Limiting attorney fees.³³

Bills to once again repeal PIP have come before the Legislature for consideration in recent years, and in 2021, the Legislature passed [CS/CS/SB 54](#), which, in pertinent part, repealed the PIP coverage requirement and raised the minimum coverage limits for motor vehicle owners and operators under the Financial Responsibility Law. Specifically, the bill increased the minimum BI coverage limits from \$10,000 per person and \$20,000 per incident to \$25,000 per person and \$50,000 per incident, but the minimum PD coverage limit remained unchanged at \$10,000.³⁴ The bill also required insurers to offer medical payments coverage at limits of \$5,000 and \$10,000 with no deductible, and authorized an insurer to offer medical payments coverage at limits greater than \$5,000 and with a deductible of up to \$500; medical payments coverage in any amount also had to include an additional death benefit of at least \$5,000. Under the bill, a motor vehicle insurance policy was deemed to have \$10,000 in med pay coverage unless the insurer obtained the insured's written refusal of medical payments coverage or a written selection of medical payments coverage at a limit other than \$10,000.

In conjunction with the passage of [2021 CS/CS/SB 54](#), OIR contracted with Pinnacle Actuarial Resources ("Pinnacle") to determine the impact such a repeal would have on motor vehicle insurance premiums in Florida.³⁵ Released on June 14, 2021, the Pinnacle report estimated that, if PIP was repealed in Florida, motor vehicle insurance premiums would see a 13.3 percent increase for all coverages combined, or \$202 per vehicle annually for the average driver; however, this estimate assumed that PIP would be replaced by opt-out medical payments coverage with a default limit of \$10,000.³⁶ The report then went on to estimate that drivers rejecting medical payments coverage would see an increase of 1.5 percent, or \$23 per vehicle annually on the premium for all coverages combined, while drivers electing to buy medical payments coverage with a \$5,000 limit would see an 8.6 percent increase for the coverage premium, or approximately \$131 per vehicle.³⁷ The Governor ultimately vetoed the bill, finding that "while the PIP system has flaws...[the bill] does not adequately address current issues facing Florida drivers and may have unintended consequences that would negatively impact both the market and

treatment not rendered; (4) using phony diagnostic tests or misusing legitimate tests; (5) inflating charges for diagnostic tests or procedures through brokers; and (6) filing fraudulent motor vehicle tort lawsuits. Fifteenth Statewide Grand Jury, *Report on Insurance Fraud Related To Personal Injury Protection*, <https://www.yourstpetelawyers.com/2000-statewide-grand-jury-report-on-pip-insurance-fraud-worth-reading/> (last visited Mar. 27, 2025); Florida Supreme Court, Case Docket: Case No. SC 695746, <https://onlinedocketssc.flcourts.org/DocketResults/LTCases?CaseNumber=95746&CaseYear=1960> (last visited Mar. 27, 2025).

³⁰ [Ch. 2003-411, L.O.F.](#)

³¹ [Ch. 2007-324, L.O.F.](#)

³² [Ch. 2012-197, L.O.F.](#); [ch. 2015-135, L.O.F.](#)

³³ Attorney fees in PIP disputes between an insured and an insurer were ultimately eliminated as part of a larger tort reform effort in 2023. [Ch. 2023-15, L.O.F.](#)

³⁴ The bill also included insurer "bad faith" reforms, a mandatory \$5,000 death benefit, and a \$10,000 setoff on damages where the injured party lacked the required motor vehicle insurance. The Legislature ultimately adopted broader insurer "bad faith" reforms as part of a larger tort reform effort in 2023. [Ch. 2023-15, L.O.F.](#)

³⁵ Pinnacle Actuarial Resources, *The Impact of Repealing Personal Injury Protection Coverage in Florida*, <https://fcep.org/wp-content/uploads/2022/02/FloridaOIRPIPRepealImpactFinalReport06142021.pdf> (last visited Mar. 27, 2025).

³⁶ *Id.*

³⁷ *Id.*

consumers.”³⁸ However, the instant bill does not include mandatory or opt-out medical payments coverage provisions as [2021 CS/CS/SB 54](#) did, and OIR has not commissioned a study on what impact, if any, passage of this bill would have on motor vehicle insurance premiums in Florida.

Medical Payments Coverage

Florida drivers have the option to purchase [medical payments coverage](#), in addition to their PIP coverage, to cover medical expenses (beyond those covered by PIP) resulting from injuries sustained in a motor vehicle accident.³⁹ Like PIP, medical payments insurance differs from BI coverage in that it covers the medical expenses of the insured, members of the insured’s family, and the insured’s passengers regardless of who caused the accident, and it is available whether the covered person’s injury occurs while the covered person is in the insured’s car, in someone else’s car, or a pedestrian.⁴⁰ However, medical payments coverage is typically secondary to coverage under any applicable health insurance policy; whether or not this is the case depends on the health insurance policy’s terms.⁴¹

Uninsured Motorist Coverage

Florida drivers have the option to purchase [uninsured motorist coverage](#) to cover injuries and damages which they sustain in a motor vehicle accident caused by an uninsured, or underinsured, driver; such coverage can be important as, according to a recent study, 15.9 percent of Florida drivers lacked sufficient motor vehicle liability insurance coverage.⁴² Given the risks posed by uninsured drivers, a standard motor vehicle liability insurance policy issued in Florida comes with uninsured motorist coverage; to decline such coverage, the insured must opt out of accepting it in writing.⁴³ Further, an uninsured motorist coverage insurer’s legal liability does not include non-economic damages for pain, suffering, disability or physical impairment, disfigurement, mental anguish, inconvenience, or the loss of capacity for the enjoyment of life experienced in the past and to be experienced in the future.⁴⁴

RECENT LEGISLATION:

YEAR	BILL #	HOUSE SPONSOR(S)	SENATE SPONSOR	OTHER INFORMATION
2021	CS/CS/SB 54	Grall	Burgess	Vetoed by the Governor.

³⁸ Veto Letter of Ron DeSantis, Governor, (June 29, 2021) <https://www.flgov.com/eog/sites/default/files/press/SB-54-Transmittal-Letter.pdf> (last visited Mar. 27, 2025).

³⁹ The Florida Bar, *Consumer Pamphlet: Automobile Insurance*, <https://www.floridabar.org/public/consumer/tip002/#Untitled%20Section> (last visited Mar. 27, 2025).

⁴⁰ *Id.*

⁴¹ Investopedia, *Medical Payments Coverage (MedPay): Overview and Examples*, <https://www.investopedia.com/terms/m/medical-payments-coverage.asp> (last visited Mar. 27, 2025).

⁴² S. [627.727, F.S.](#); Insurance Information Institute, *Facts + Statistics: Uninsured Motorists*, <https://www.iii.org/fact-statistic/facts-statistics-uninsured-motorists> (last visited Mar. 27, 2025).

⁴³ S. [627.727, F.S.](#)

⁴⁴ *Id.*

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Civil Justice & Claims Subcommittee	13 Y, 2 N	3/27/2025	Jones	Mawn
Insurance & Banking Subcommittee				
Judiciary Committee				