



Panel on Affordable Auto Insurance

Conference on the Consumer in the
Financial Services Revolution
Washington, DC

November 29, 2012

Download at www.iii.org/presentations

Robert P. Hartwig, Ph.D., CPCU, President & Economist

Insurance Information Institute ♦ 110 William Street ♦ New York, NY 10038

Tel: 212.346.5520 ♦ Cell: 917.453.1885 ♦ bobh@iii.org ♦ www.iii.org



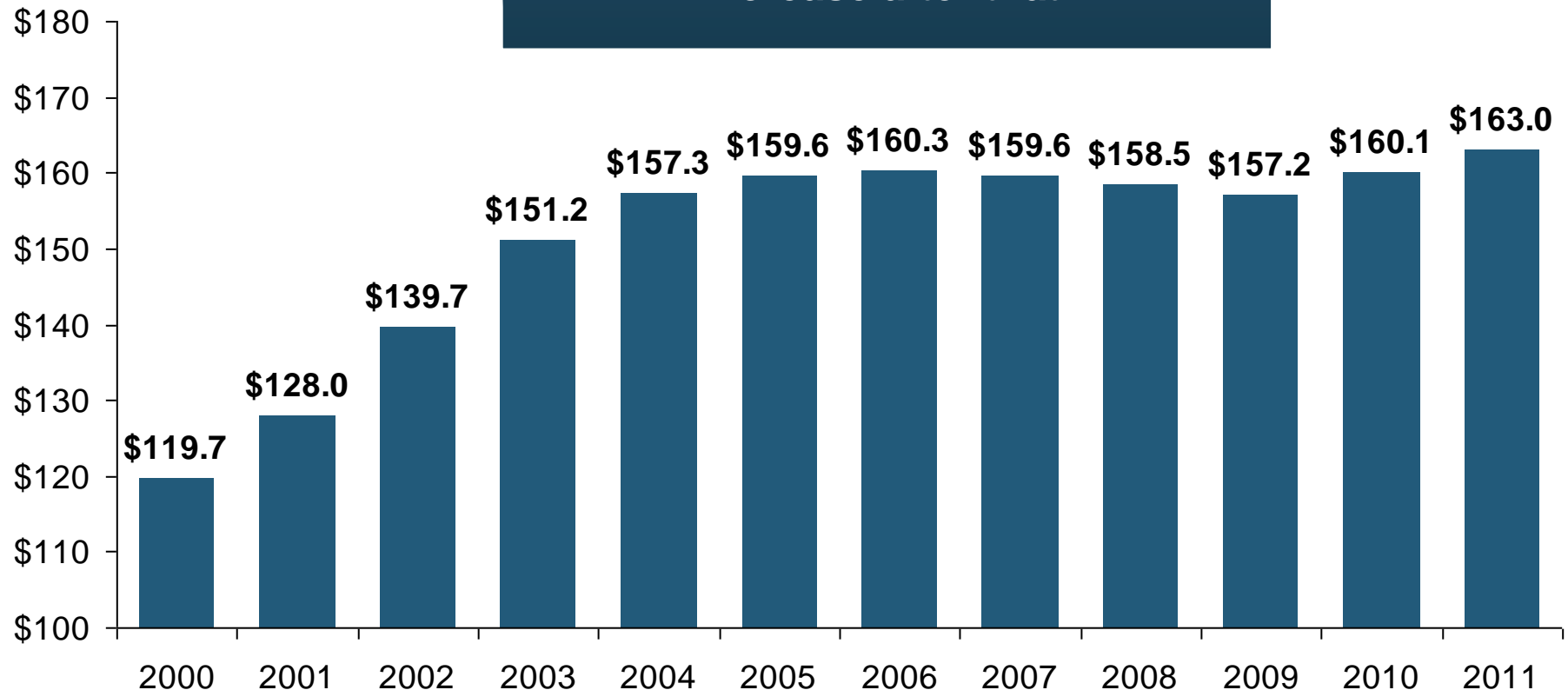
Facts and Statistics Related to the Cost of Private Passenger Auto Insurance

Auto Insurance Remains Affordable Across the US

Private Passenger Auto Insurance Net Written Premium, 2000–2011

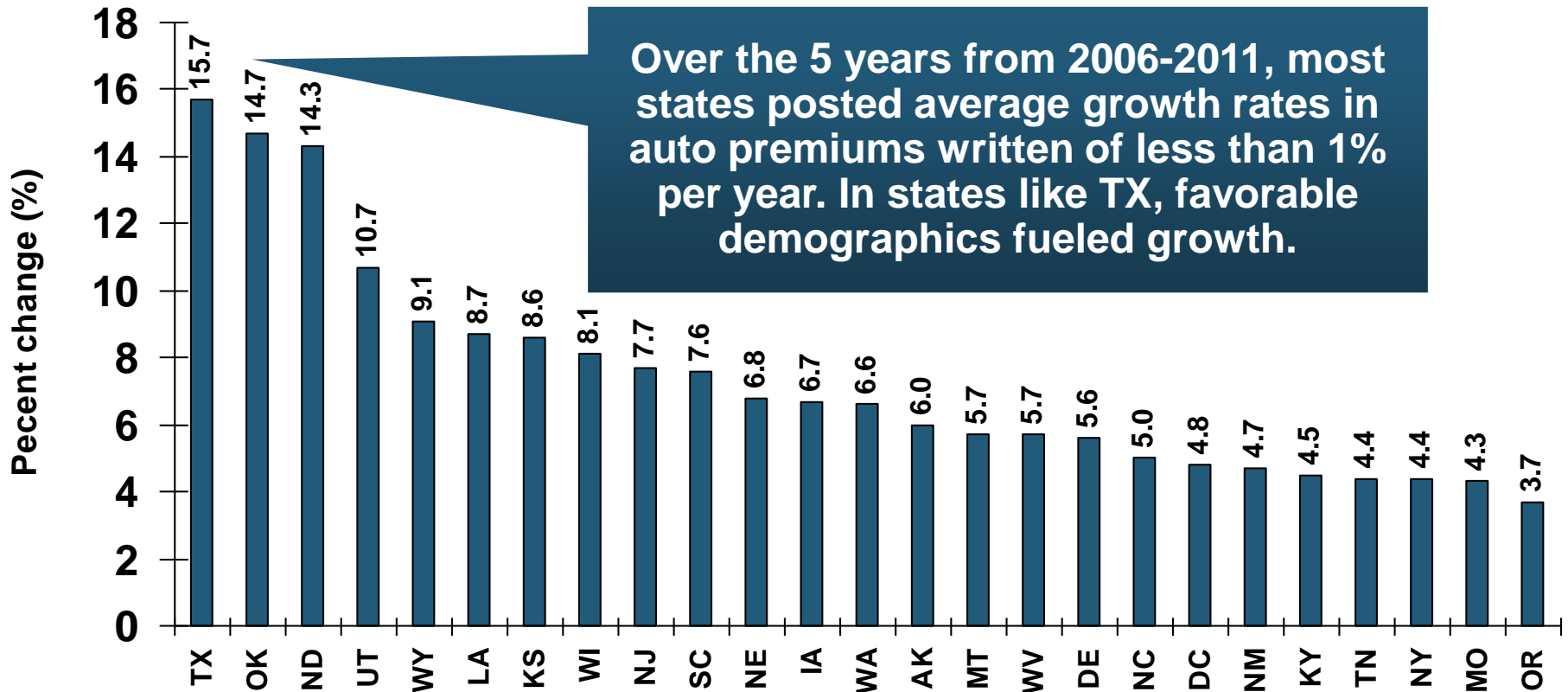
\$ Billion

PP Auto premiums written were basically flat written from 2005 through 2010, with only modest increase after that.



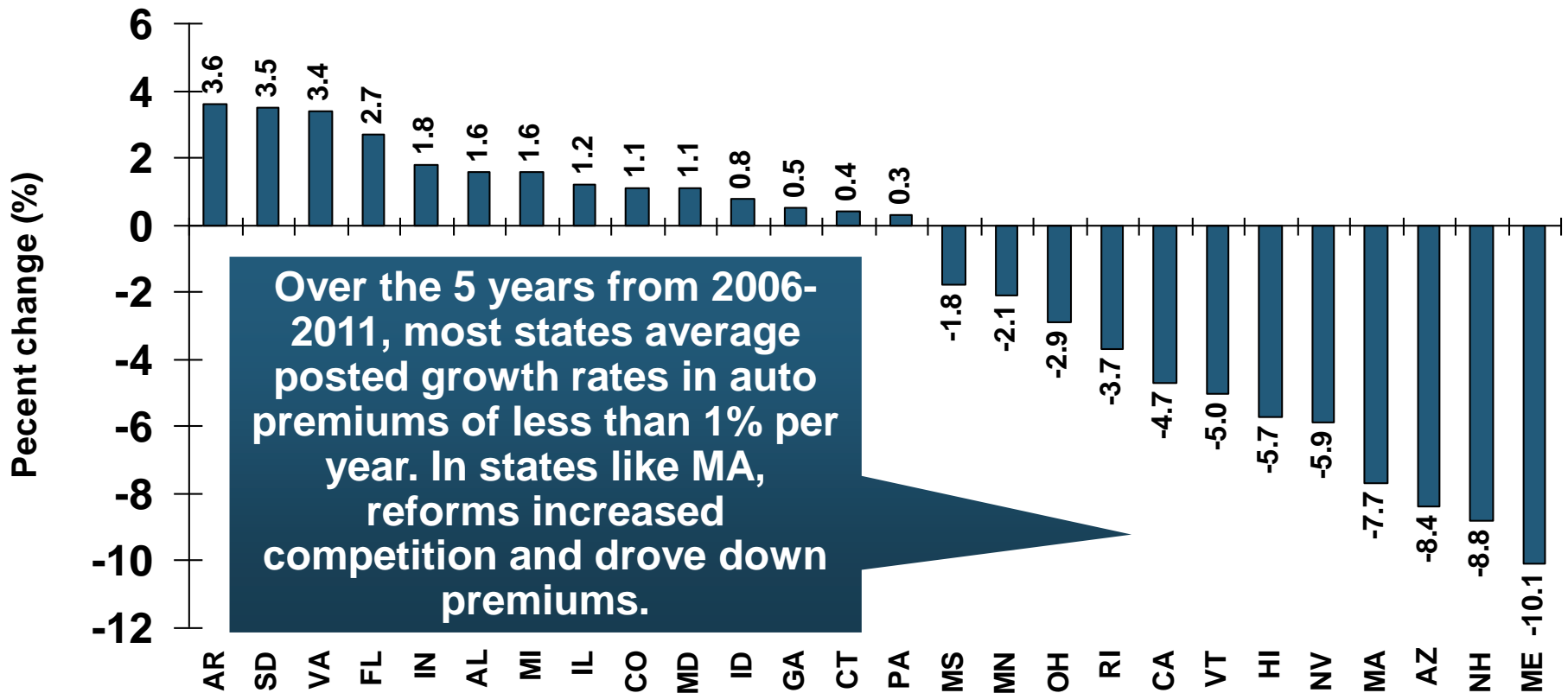
Direct Premiums Written: Auto Percent Change by State, 2006-2011

Top 25 States

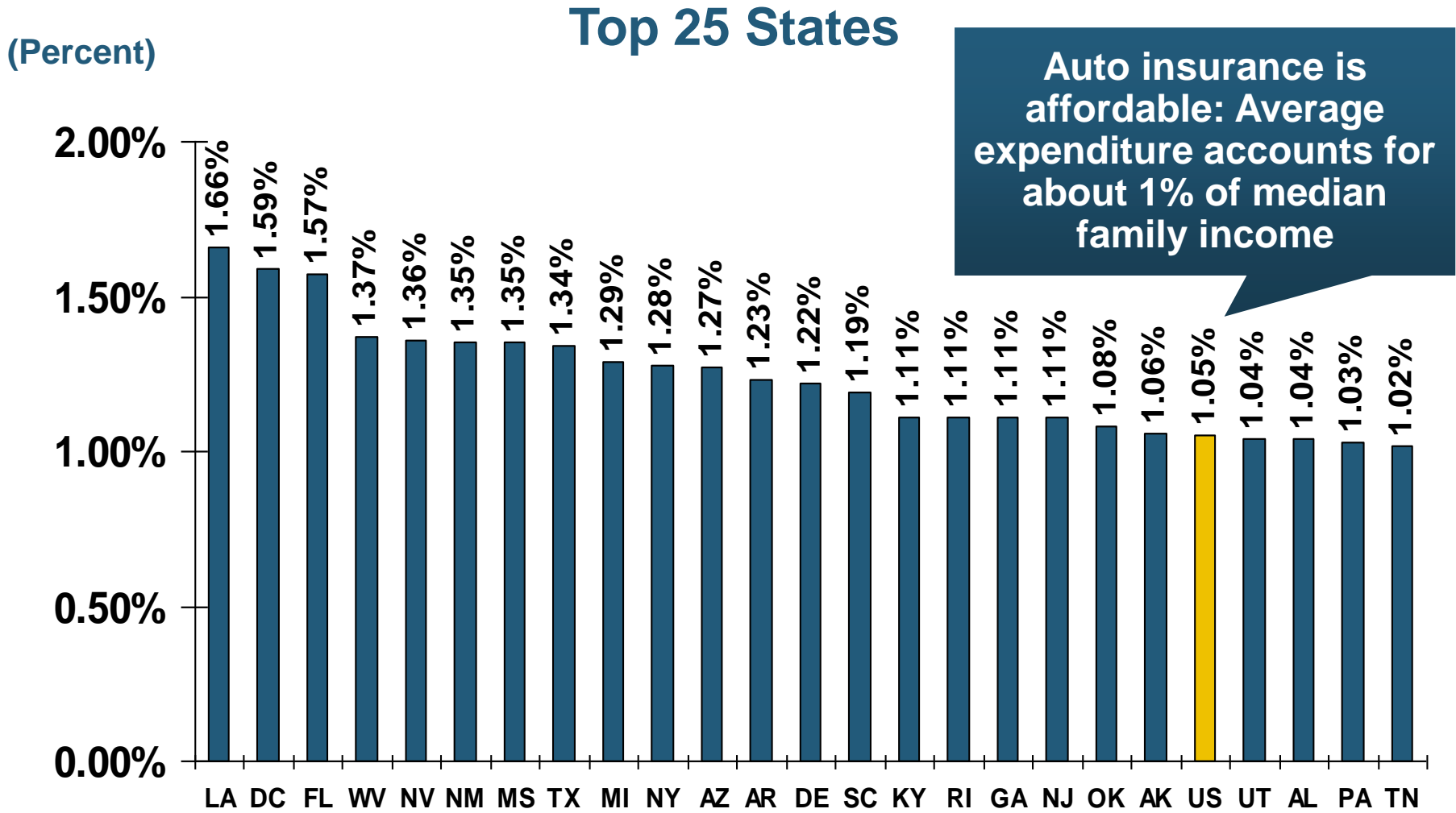


Direct Premiums Written: Auto Percent Change by State, 2006-2011

Bottom 25 States



Ratio of Avg. Expenditure for Pvt. Passenger Auto Insurance to Median Family Income, 2009



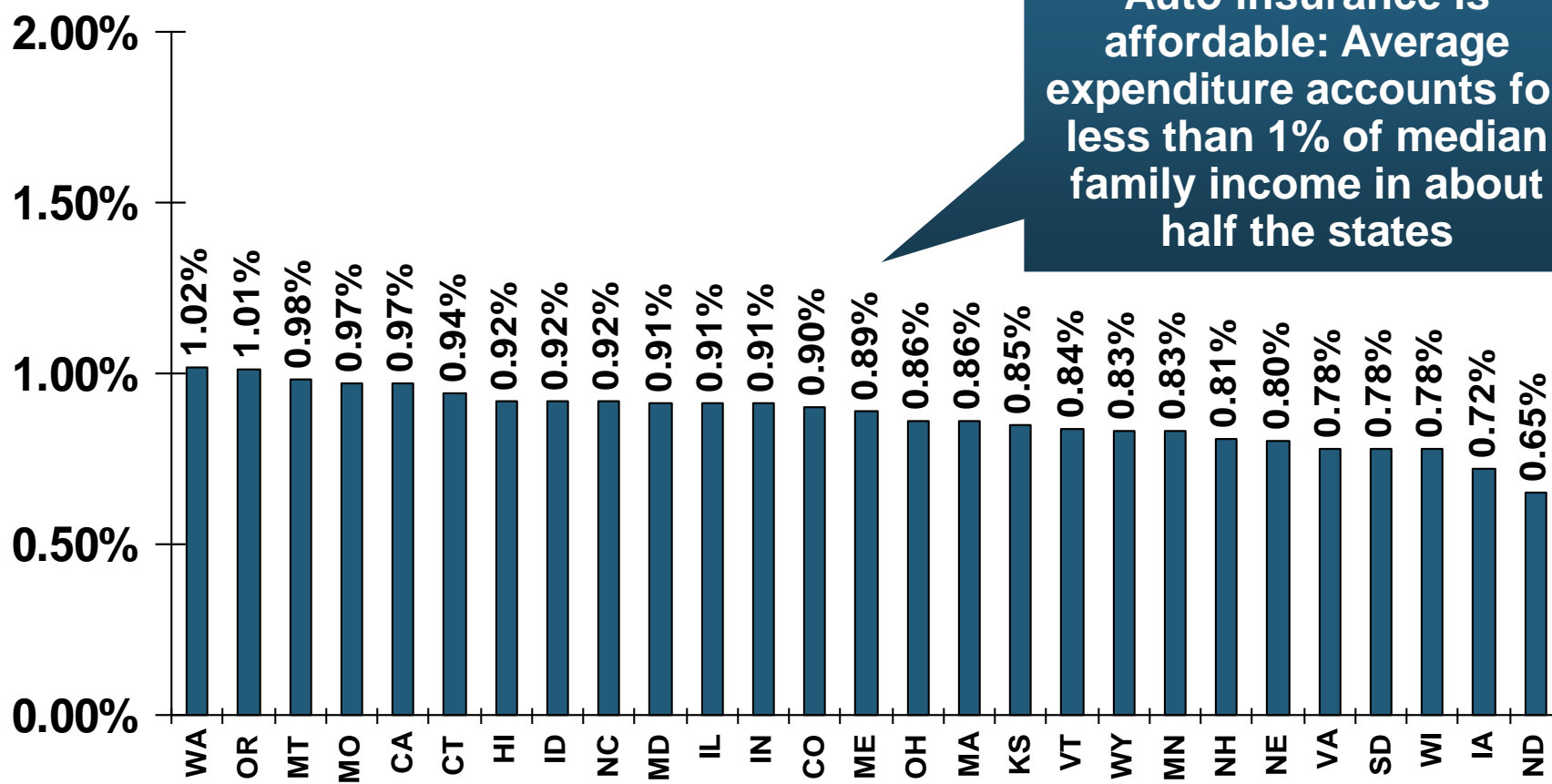
*Average auto insurance expenditure as a percentage of the 2009 median income for a family of four
Sources: Prepared by the Insurance Information Institute, based on data from the U.S. Census and the National Association of Insurance Commissioners.

6

Ratio of Avg. Expenditure for Pvt. Passenger Auto Insurance to Median Family Income, 2009

(Percent)

Bottom 25 States

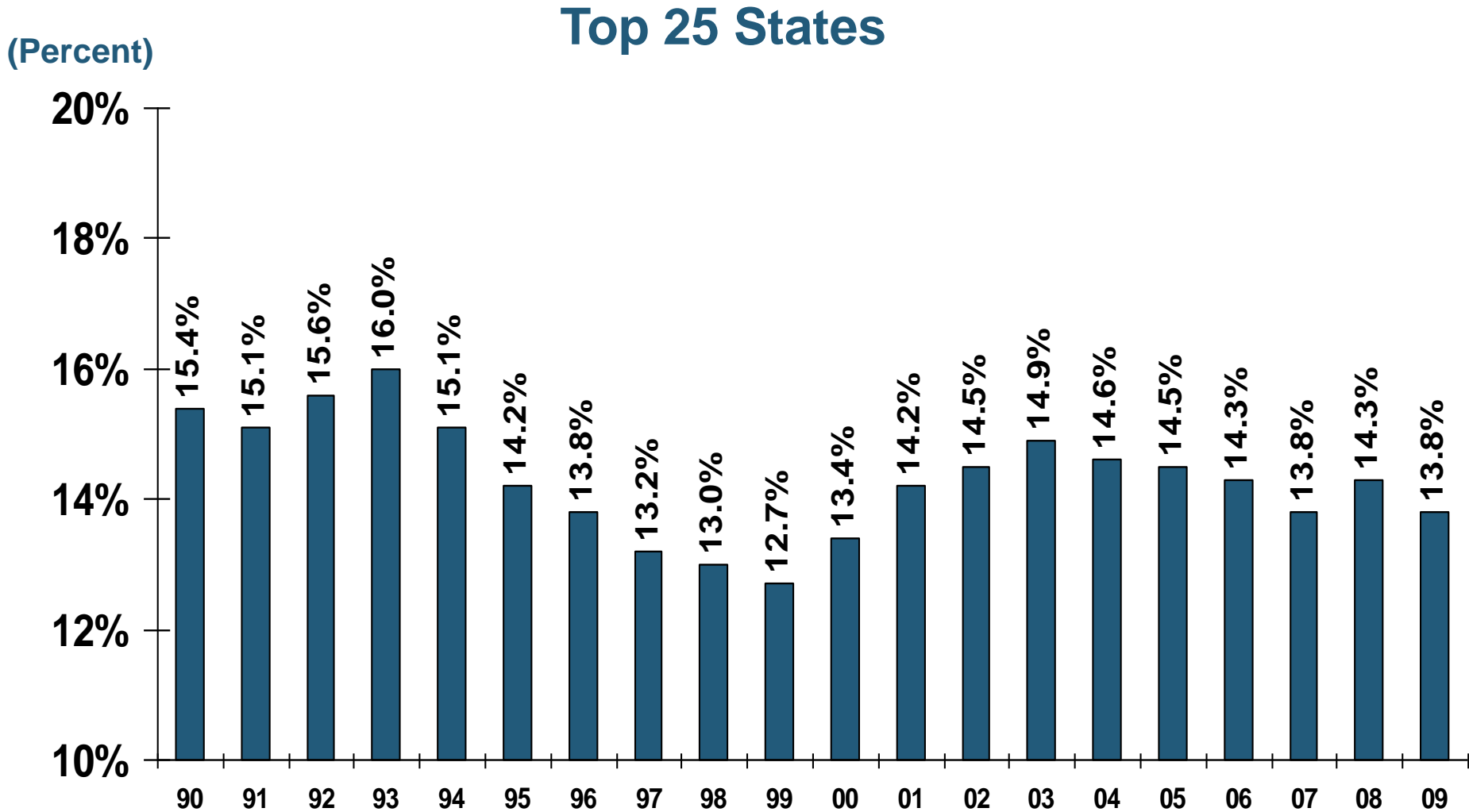


Auto insurance is affordable: Average expenditure accounts for less than 1% of median family income in about half the states

*Average auto insurance expenditure as a percentage of the 2009 median income for a family of four

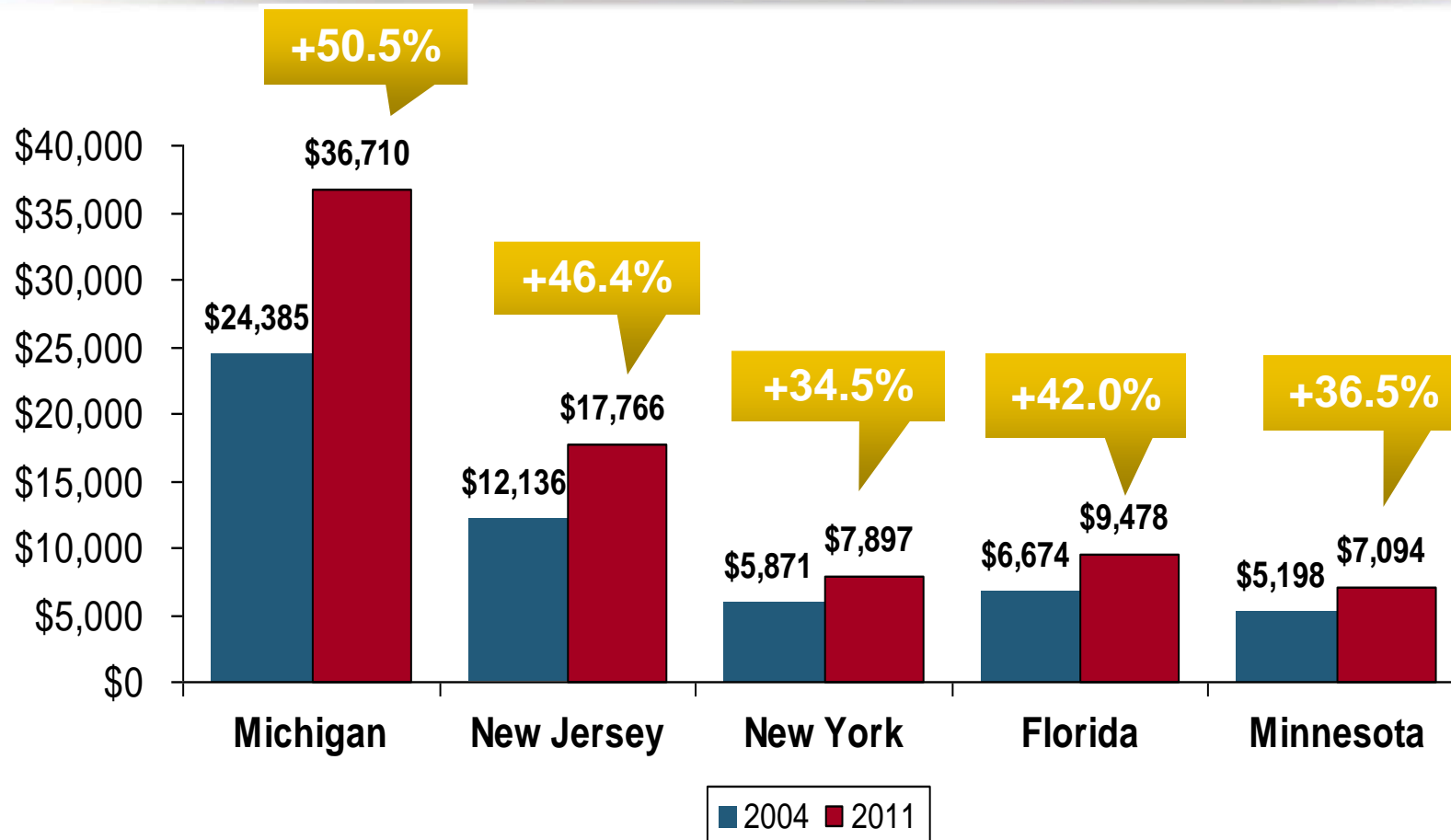
Sources: Prepared by the Insurance Information Institute, based on data from the U.S. Census and the National Association of Insurance Commissioners.

Percentage of Uninsured Motorists, 1990 – 2009*



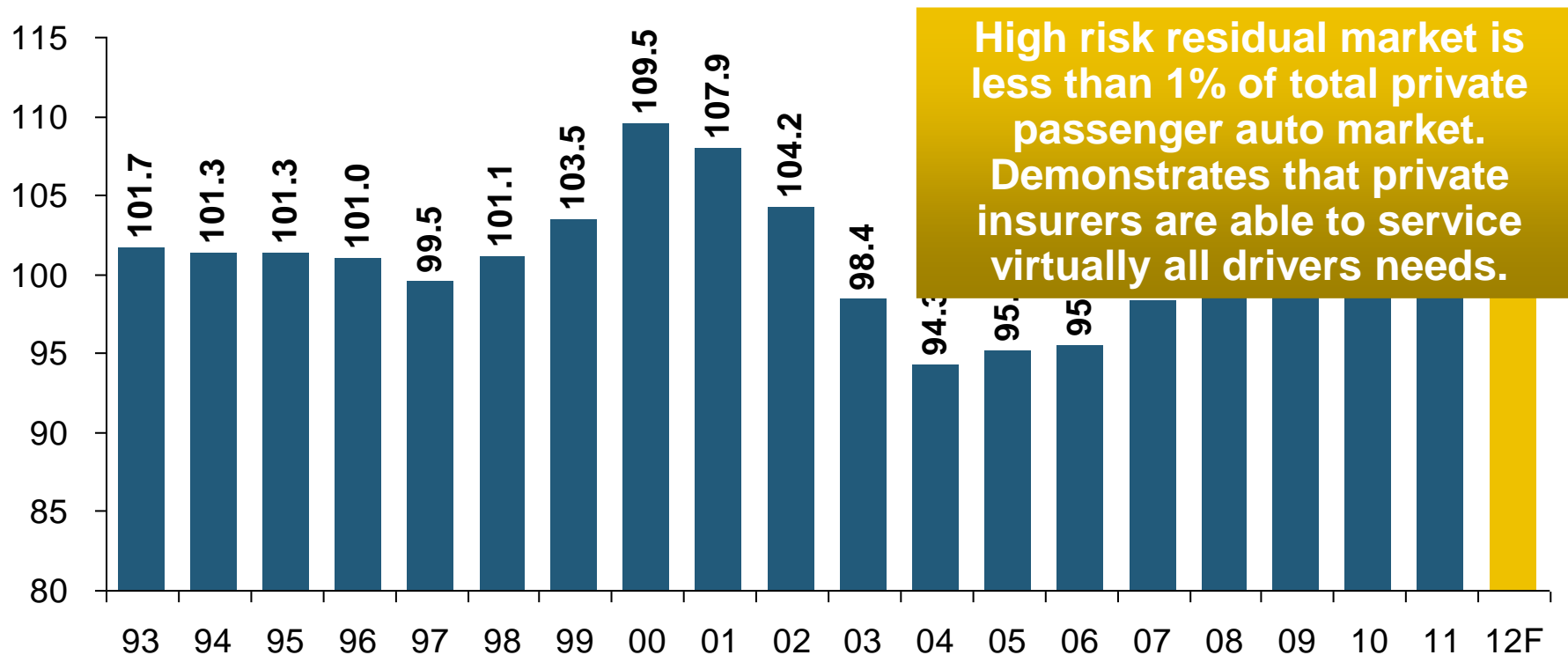
*Latest available.
Sources: Insurance Research Council; Insurance Information Institute.

Increase in No-Fault Claim Severity: Selected States, 2004-2011



The no-fault systems in MI, NJ, NY, FL, and MN are under stress due to rising fraud and abuse, which leads to higher premiums for honest drivers.

Private Passenger Auto Combined Ratio: 1993–2012P



Private Passenger Auto Accounts for 34% of Industry Premiums and Remains the Profit Juggernaut of the P/C Insurance Industry

Insurance Information Institute Online:

www.iii.org

*Thank you for your time
and your attention!*

Twitter: twitter.com/bob_hartwig

Download at www.iii.org/presentations