



NO-FAULT REPEAL BACKED IN SENATE

February 15, 2021

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TALLAHASSEE — Florida senators continued moving forward Monday with a proposal to do away with the state's longstanding no-fault auto insurance system, with trial attorneys and insurers closely watching the debate.

The Senate Judiciary Committee approved a bill (SB 54) that would eliminate no-fault — and its requirement that motorists carry personal-injury protection, or PIP, coverage — and mandate bodily injury coverage.

Sponsor Danny Burgess, R-Zephyrhills, said the bill would make Florida like 48 other states that have bodily-injury insurance systems. He said he thinks it would help ensure that motorists have adequate coverage.

The windshield change to the bill came after insurers have complained in recent years about auto-glass businesses offering incentives, such as gift cards, to have motorists replace windshields. Currently, insured motorists do not have to pay to get windshields repaired.

Under the proposal, insurers would be allowed to offer policies with deductibles up to \$200 for windshield repairs. Senate Judiciary Chairman Jeff Brandes, R-St. Petersburg, said motorists would be able to choose whether to buy policies with deductibles — which could be cheaper than policies that don't have deductibles.

"I personally would like a deductible on my auto glass because I think it would lower my overall premiums," Brandes said.

Lawmakers during the past decade have repeatedly discussed moving away from the no-fault system, which requires motorists to carry \$10,000 in PIP coverage to help cover medical bills. In part, they have pointed to fraud in the system.

Bodily injury coverage, which many motorists already carry, pays for injuries or deaths that drivers cause to other people in accidents. Under the Senate proposal, motorists generally would be required to carry a minimum of \$25,000 in bodily injury coverage for the injury or death of one person and \$50,000 for injuries or deaths of two or more people.

But under a change approved Monday, those coverage requirements would be reduced to \$15,000 and \$30,000, respectively, for low-income motorists and students. Low-income motorists would be defined as having incomes that are 200 percent or less of the federal poverty level — a dollar amount that varies year to year and is based on household sizes.

Eric Romano, president of the Florida Justice Association, which represents trial attorneys, questioned the change, saying the bill wouldn't require proof that motorists meet the qualifications for the lower coverage amounts. He said it is essentially an "unenforceable honor system."

While eliminating the no-fault system would affect millions of motorists across Florida, a major part of the debate about the bill involves potential changes to what are known as "bad faith" lawsuits. Such lawsuits can be costly for insurers and involve allegations that claims were not handled properly.

Insurers and their supporters are backing bad-faith changes in the bill, while they face opposition from trial attorneys.

The bill also is drawing attention from emergency-room physicians, as the PIP requirement has ensured \$10,000 in coverage for medical care.

Toni Large, a lobbyist for the Florida College of Emergency Physicians, said some type of coverage is needed to help pay for the costs of emergency care after accidents, as the state has millions of people without health insurance.

Burgess' bill, which earlier passed the Banking and Insurance Committee, is slated to go to the Rules Committee and then could go to the full Senate after the annual legislative session starts March 2. A similar House bill (HB 719), was filed Feb. 3 by Rep. Erin Grall, R-Vero Beach, but has not been heard in committees.

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