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Auto Insurance Rates Rising in Florida

Three cities among the most expensive premiums in the U.S.

As we noted in this edition's *Bill Watch*, efforts to repeal Florida's no-fault auto insurance law and its increasingly expensive Personal Injury Protection (PIP) insurance have failed this legislative session. But there are other market forces at work that are leading to steeper automobile rates this year, especially in South Florida. An increasing population and higher-density housing have put more vehicles on the road, leading to more crashes and fatalities. Insurance experts say distracted driving is part of the problem, too.

According to a recent report by price-comparison website [The Zebra](#), three Florida cities were among the top 10 most expensive cities to buy auto insurance in 2017. The Miami suburb of Hialeah was third most expensive with an average annual premium of \$2,709 for a single driver. The city of Miami was fourth at \$2,651 and Tampa was in the eighth spot at \$2,553. Several auto insurers writing in Florida have had multiple years of double-digit average rate hikes. Florida's average premium was \$1,878, fifth-highest in the country, following Michigan, Louisiana, Kentucky and Rhode Island. North Carolina was lowest at \$865, according to the report. The national average was \$1,427, up nearly 20% since 2011.

More crashes lead to more claims, which leads to more payouts, putting upward pressure on rates and premiums. The number of crashes increased 15% in Florida between 2014 and 2016, more than three times the pace of population increase. Crashes with deaths were up 27%, from 2,494 to 3,176, all according to the state Department of Highway Safety and Motor Vehicles. Cheaper gas encourages more driving and the recovering economy is also contributing to more vehicles on the roads.

The Zebra study said insurance companies are penalizing distracted driving use for the first time since the advent of cell phones, though still not nearly as harshly as for other dangerous traffic violations, such as drunk driving.