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House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

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M E M O R A N D U M

TO: All Members of the House of Representatives
FROM: Representative Thomas A. Tangretti
DATE: June 20, 2006
SUBJECT: Increase in minimum mandatory automobile liability insurance coverage

In the near future I will be introducing legislation to raise the required minimum level of automobile liability insurance coverage in the Commonwealth.

Currently, Pennsylvania requires motorists to maintain automobile liability insurance coverage in the following amounts; \$5,000 property damage liability coverage, \$15,000 per person per accident bodily injury liability coverage, and \$30,000 per accident bodily injury liability coverage. These mandatory minimums were last adjusted in 1990. These minimums obviously do not provide the same level of coverage they did at that time, since the cumulative rate of inflation has exceeded 50% during this period (U. S. Bureau of Labor Statistics).

In addition, a study by the Insurance Research Council noted medical costs resulting from automobile insurance claims have increased dramatically. This increase has occurred even though the severity of injuries resulting from automobile accidents has been decreasing. The study cites the increase in medical costs beyond the rate of inflation as a major contributor to these claim increases.

As such, I believe it is imperative that we raise these minimum coverage requirements to make sure more citizens are fully reimbursed for their losses and accident victims are covered for the medical treatment they require.

My legislation would change the definition of financial responsibility in Title 75, thereby increasing the required automobile liability insurance coverage as follows:

- \$10,000 - property damage liability coverage
- \$30,000 – per person per accident bodily injury liability coverage
- \$60,000 – per accident bodily injury liability coverage

If you are interested in co-sponsoring this legislation, please contact Cynthia Clory at cclory@pahouse.net or 783-5963.