



Private Passenger Auto Insurance Trends in Georgia *Frequency & Severity on the Rise*

Insurance Information Institute

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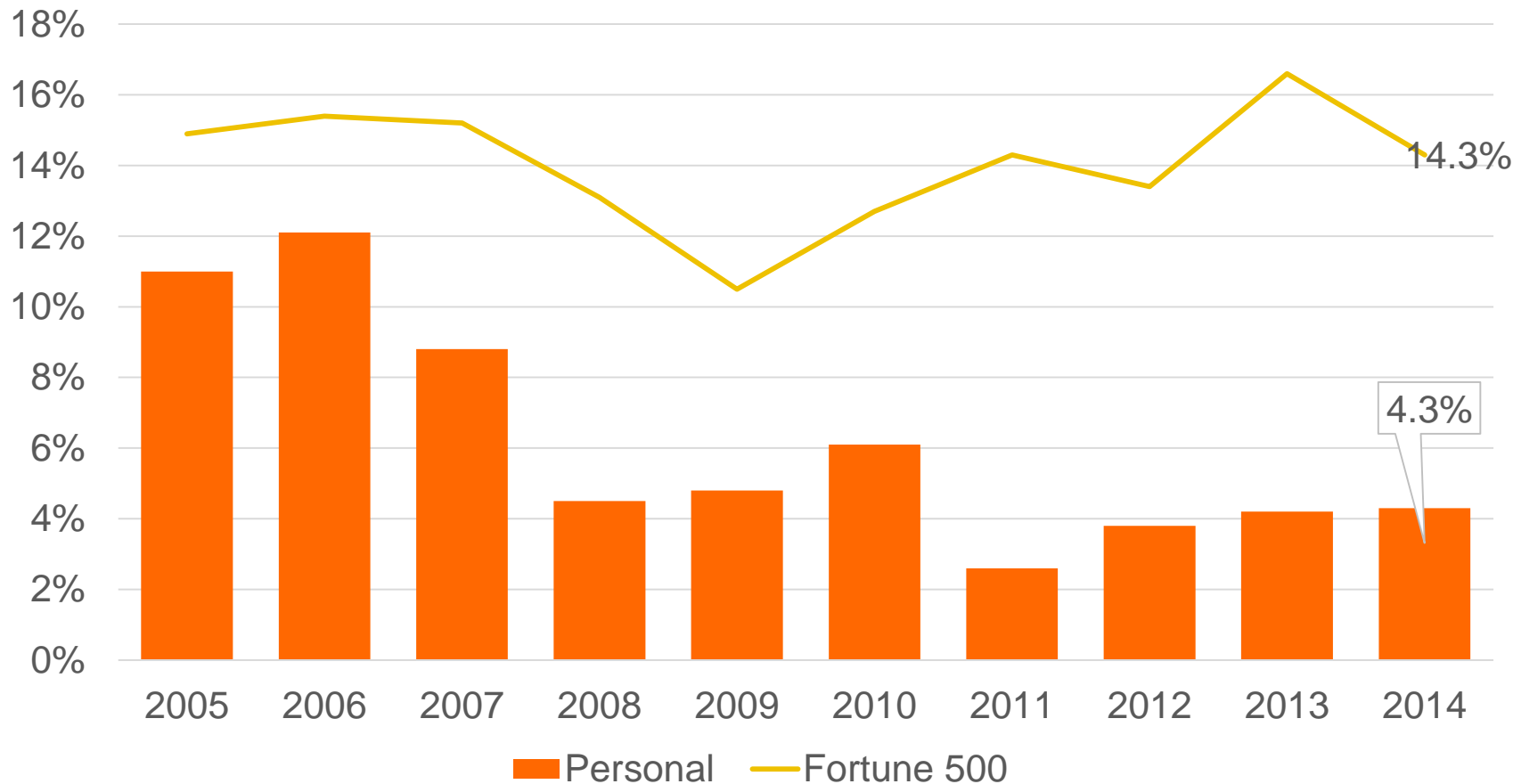
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A Few Factors Driving Adverse Private Passenger Auto Loss Trends

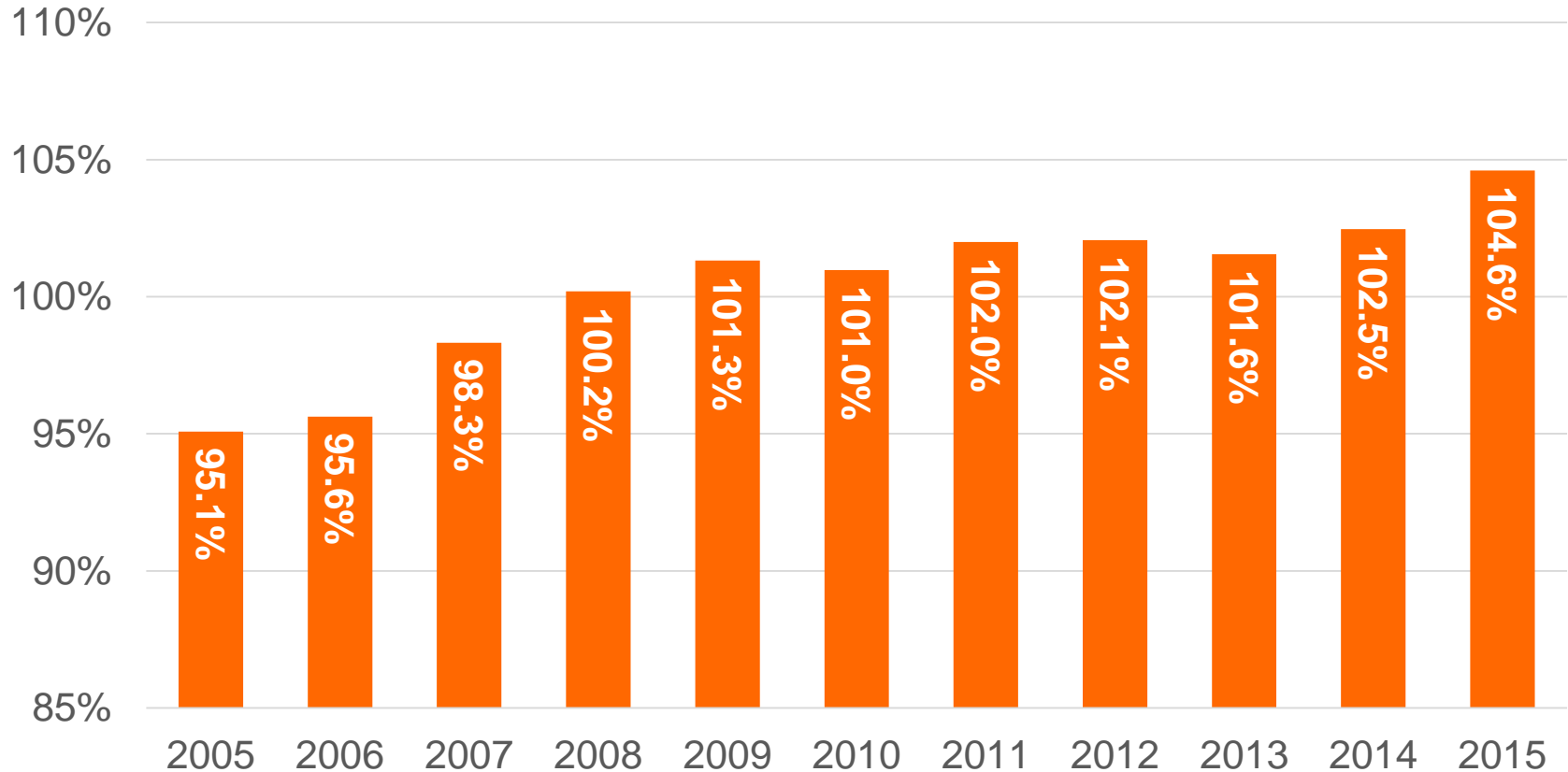
More People Driving, Lower Gas Prices, Higher Speed Limits...

Return on Net Worth: Personal Auto, 2005-2014



Auto Insurance Profitability Has Been Falling for A Decade.

Net Combined Ratio, 2005-2015



Loss Ratios Have Been Rising for A Decade. 2015 Return on Net Worth Is Likely Close to Zero or Negative.

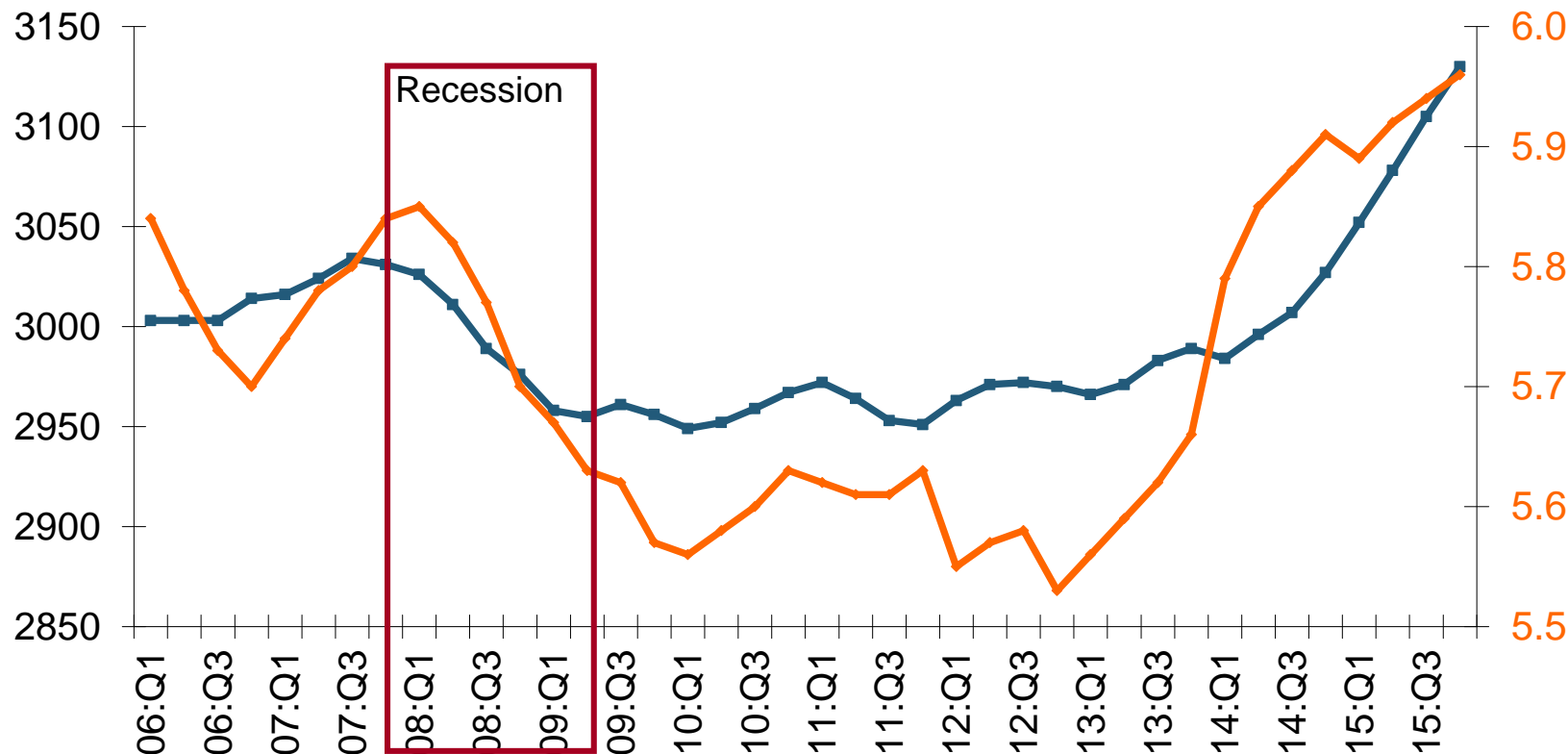
SOURCE: National Association of Insurance Commissioners data, sourced from S&P Global Market Intelligence; Insurance Information Institute.

More Miles Driven => More Collisions, 2006–2015:Q4

Billions of Miles Driven in Prior Year

— Miles Driven (left axis) — Collision Claim Frequency (right axis)

Overall Collision Claims Per 100 Insured Vehicles



The more miles people drive, the more likely they are to get in an accident, helping drive claim frequency higher.

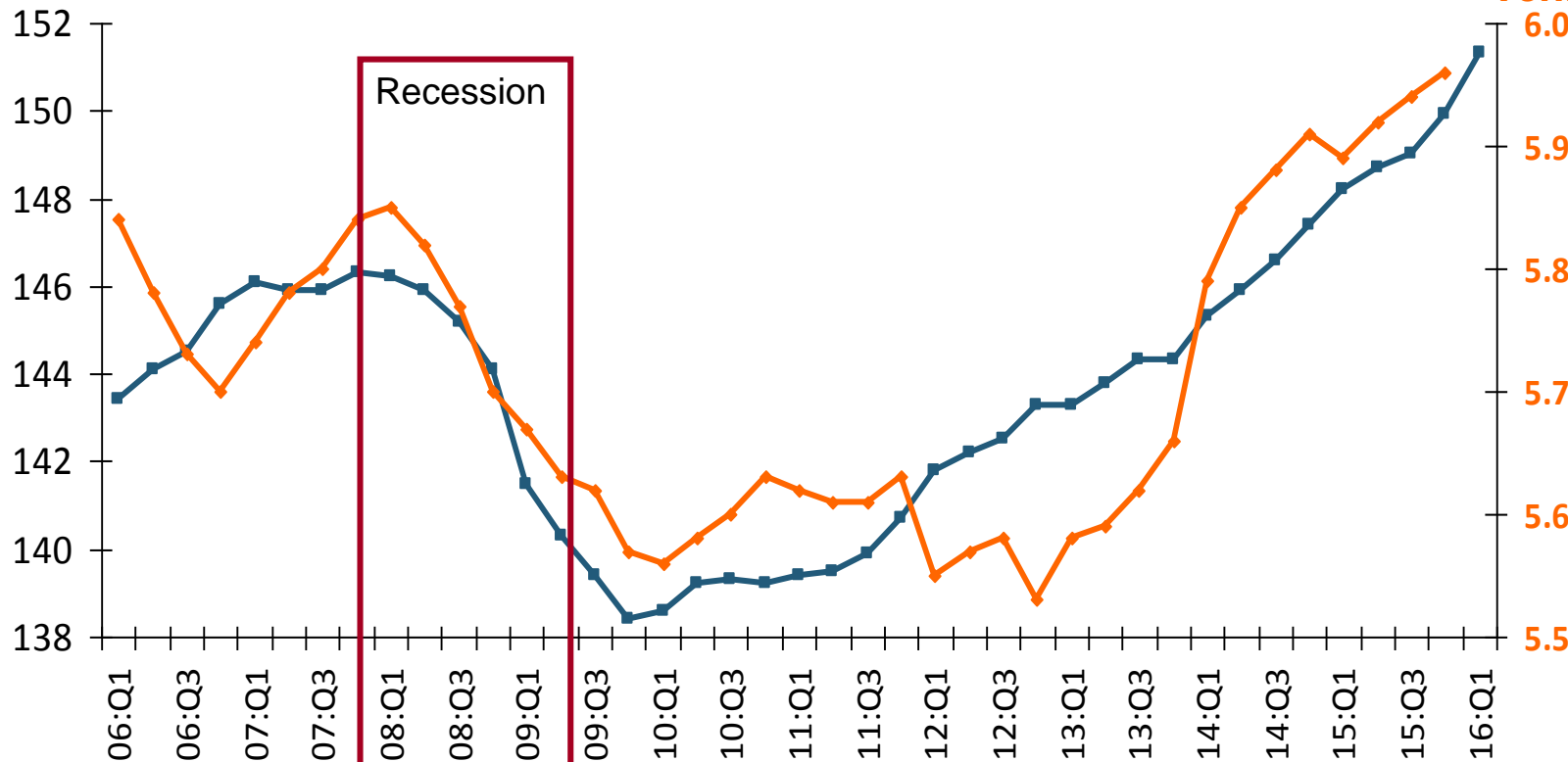
Sources: Federal Highway Administration (http://www.fhwa.dot.gov/policyinformation/travel_monitoring/tvt.cfm); Rolling Four-Qtr Avg. Frequency from Insurance Services Office; Insurance Institute for Highway Safety; Insurance Information Institute.

More People Working and Driving => More Collisions, 2006-2016

Number
Employed,
Millions

■ Number Employed (left scale) ◆ Collision Claim Frequency (right scale)

Overall
Collision Claims
Per 100 Insured
Vehicles

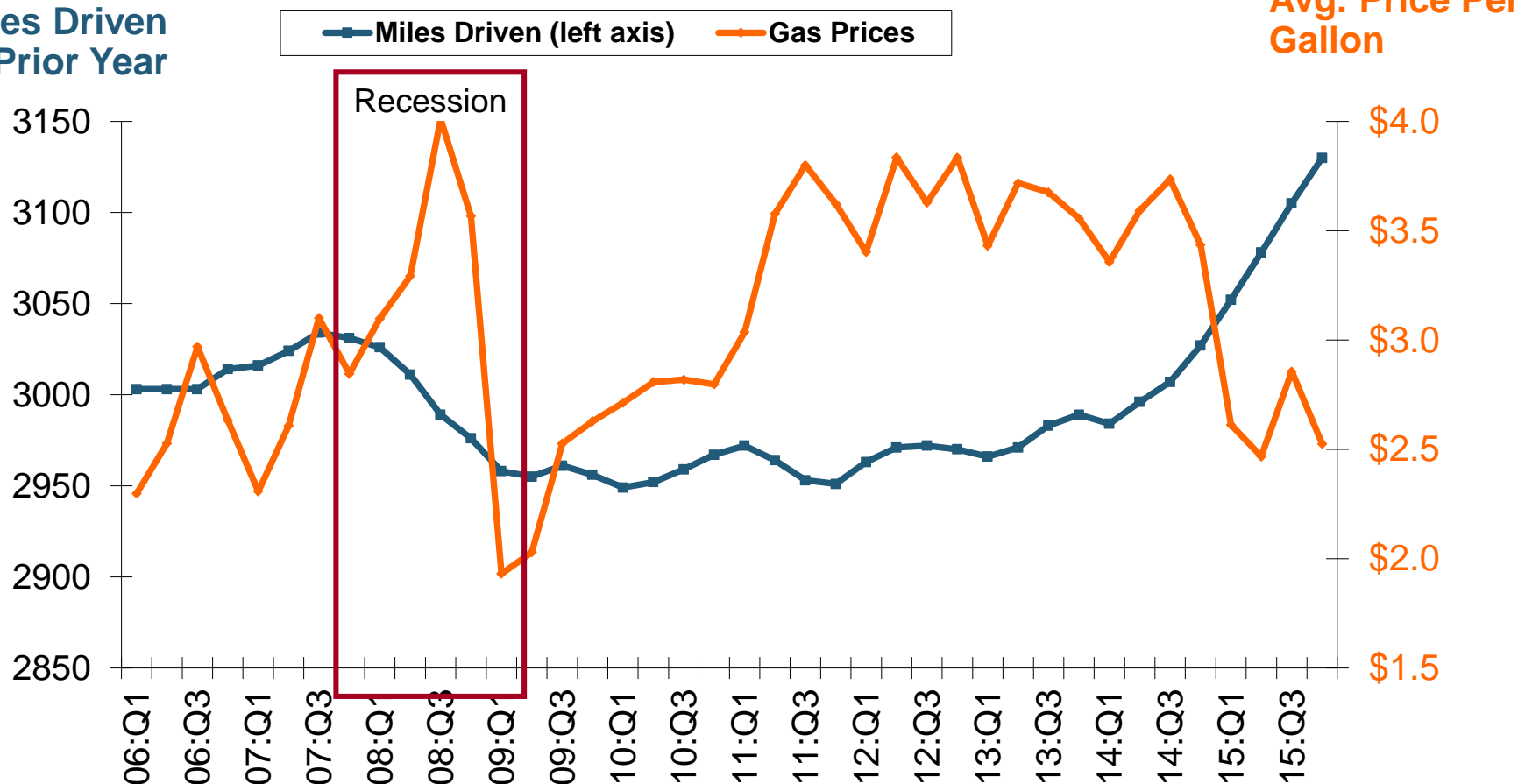


When people are out of work, they drive less. When they get jobs, they drive to work, helping drive claim frequency higher.

Sources: Seasonally Adjusted Employed from Bureau of Labor Statistics; Rolling Four-Qtr Avg. Frequency from Insurance Services Office; Insurance Information Institute.

Why Are People Driving More Miles? Cheap Gas?

Billions of Miles Driven in Prior Year

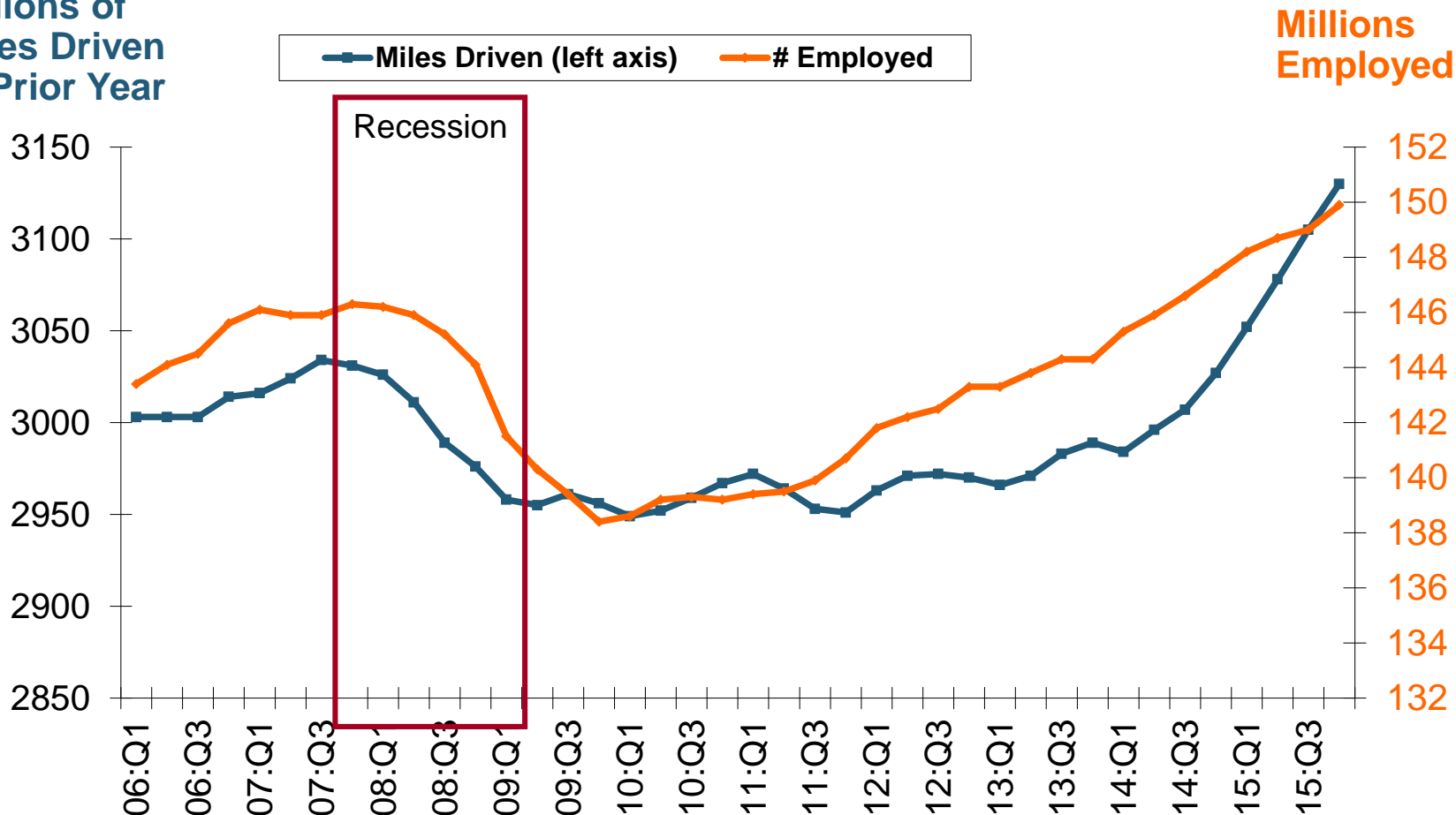


Gas Prices Don't Seem Correlated With Miles Driven.

Sources: Federal Highway Administration (http://www.fhwa.dot.gov/policyinformation/travel_monitoring/tvt.cfm); [Energy Information Administration](#); Insurance Institute for Highway Safety; Insurance Information Institute.

Why Are People Driving More Miles? Jobs?

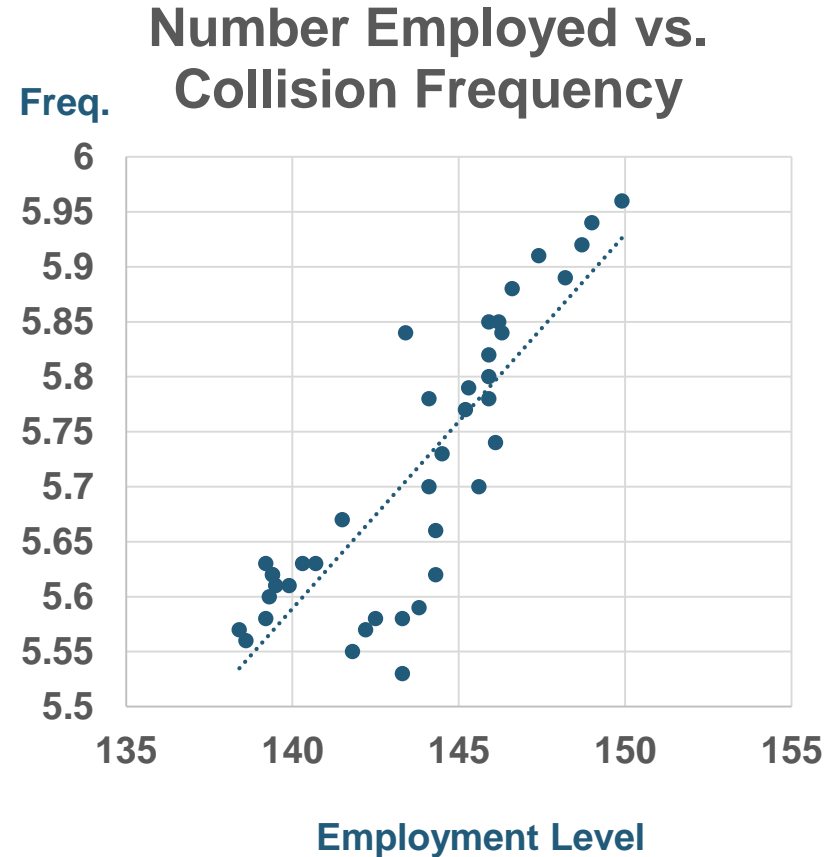
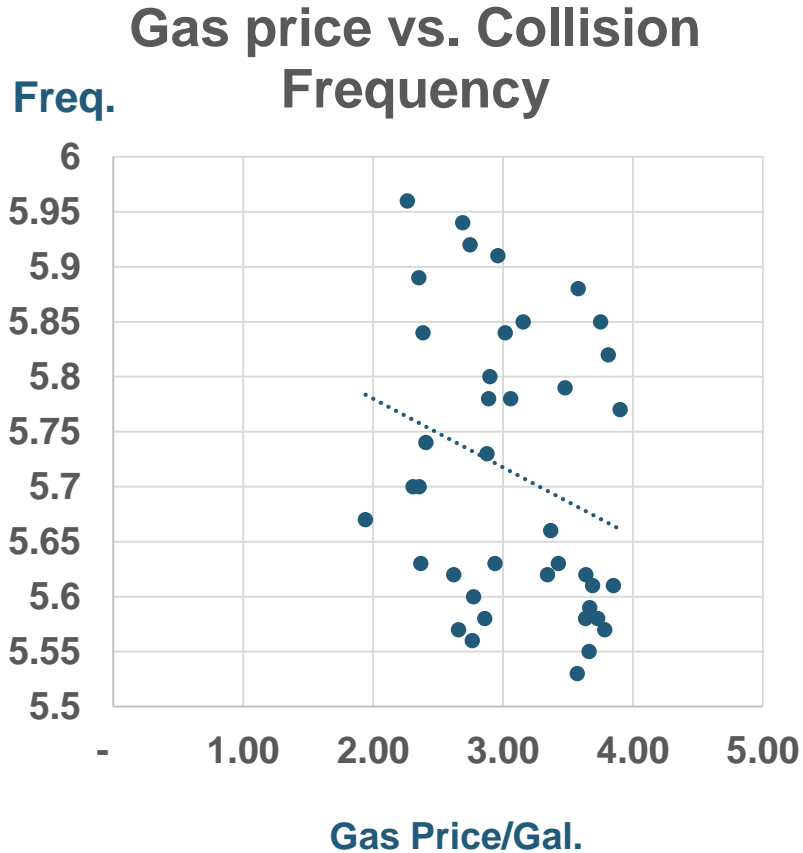
Billions of Miles Driven in Prior Year



People Drive To and From Work and Drive to Entertainment. Out of Work, They Curtail Their Movement.

Sources: Federal Highway Administration (http://www.fhwa.dot.gov/policyinformation/travel_monitoring/tvt.cfm); Seasonally Adjusted Employed from Bureau of Labor Statistics; Insurance Institute for Highway Safety; Insurance Information Institute.

Comparing Gas Prices, Employment on Collision Frequency



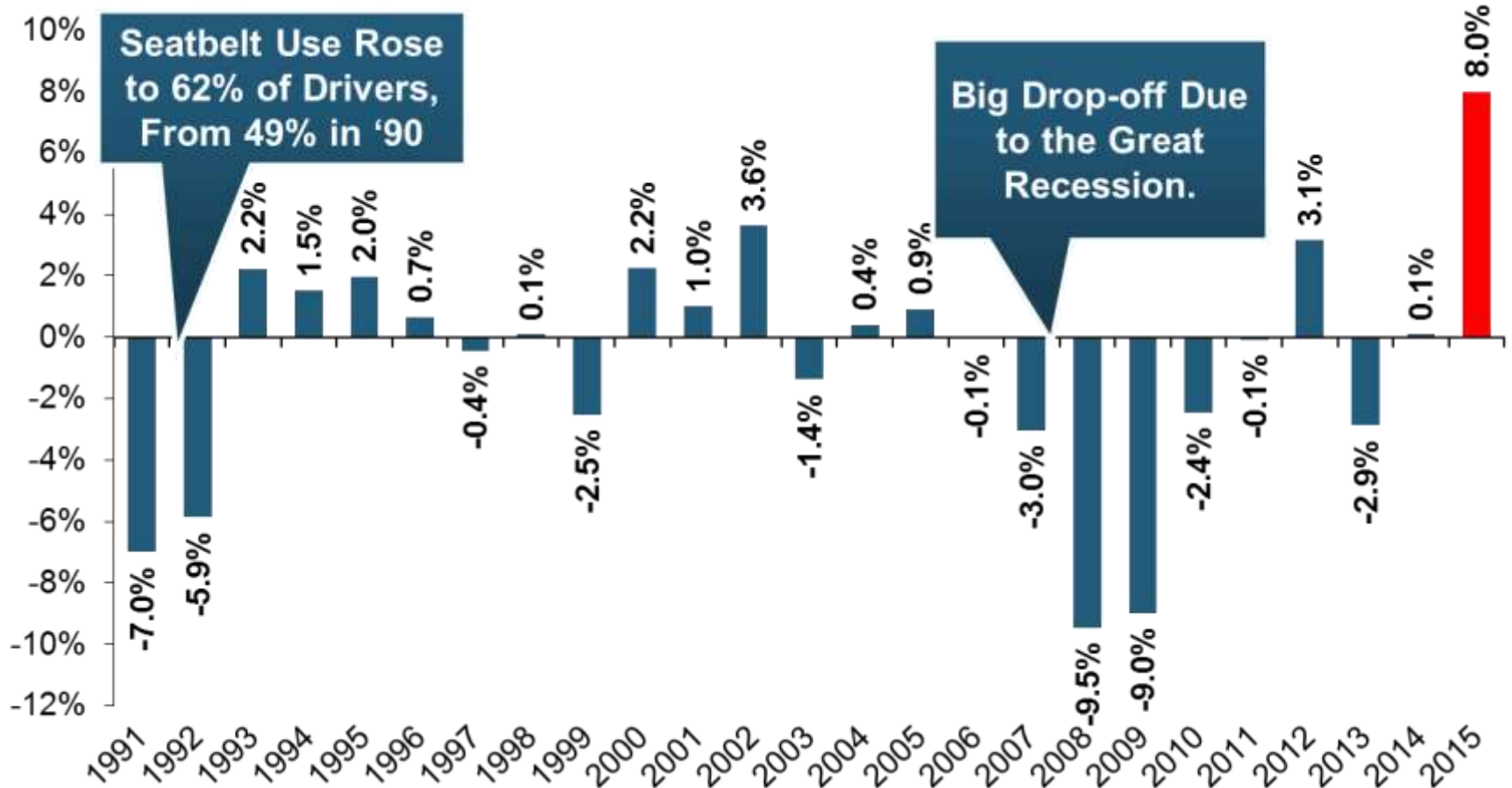
Sources: Seasonally Adjusted Employed from Bureau of Labor Statistics; Energy Information Administration; Rolling Four-Qtr Avg. Frequency from Insurance Services Office; Insurance Information Institute.

Auto Fatalities Are Rising

**Fatal Auto Accidents Are Rising
Faster in Georgia at Nearly 3
Times the Rate Nationally**

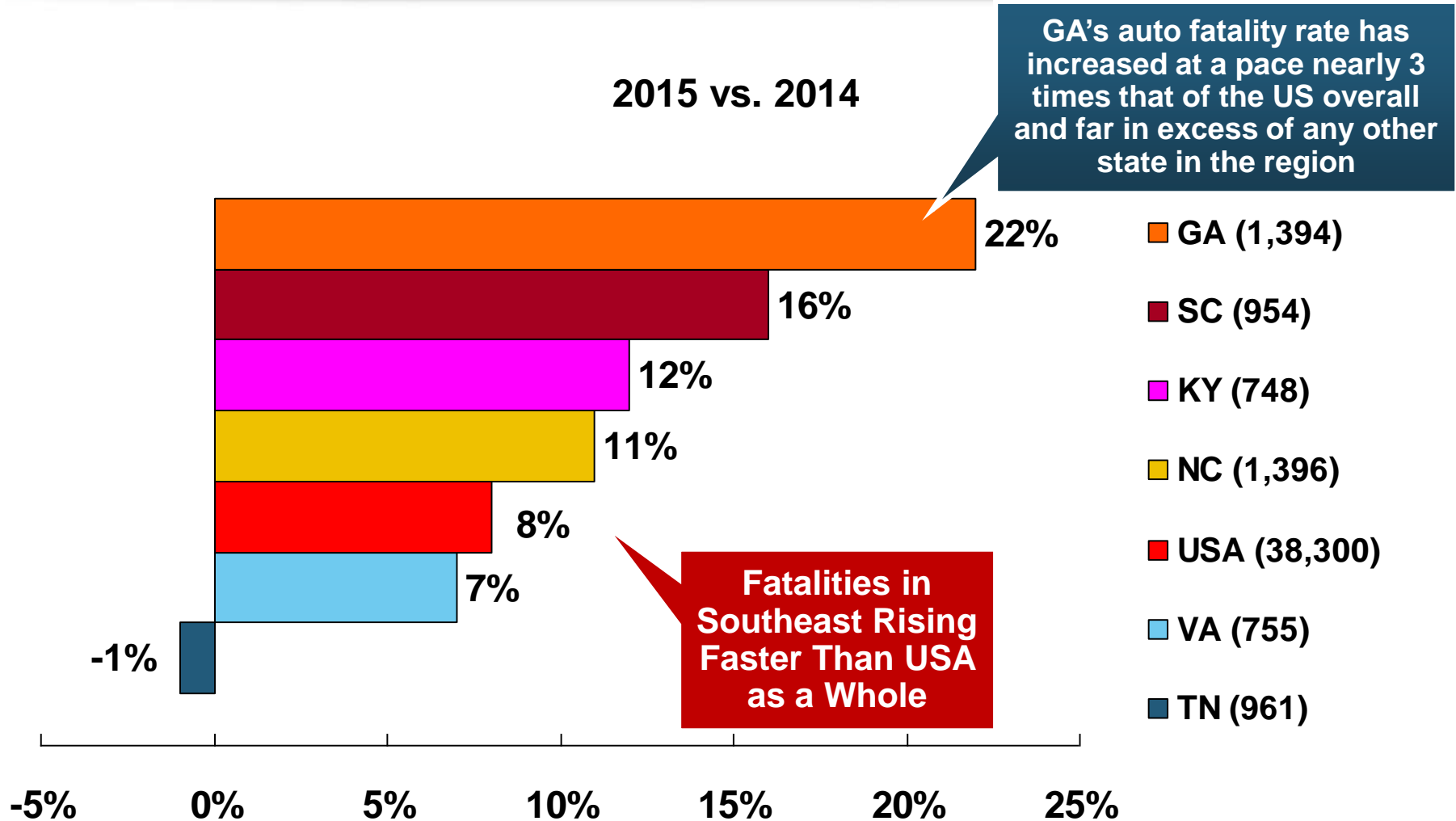
Severity: Driving Fatalities Are Rising

Annual Change in Motor Vehicle Deaths



Driving Has Been Getting Safer For Decades, But Recent Trend Is Discouraging—38,300 Deaths in 2015

Change in Auto Fatalities by State: Especially Severe in Georgia



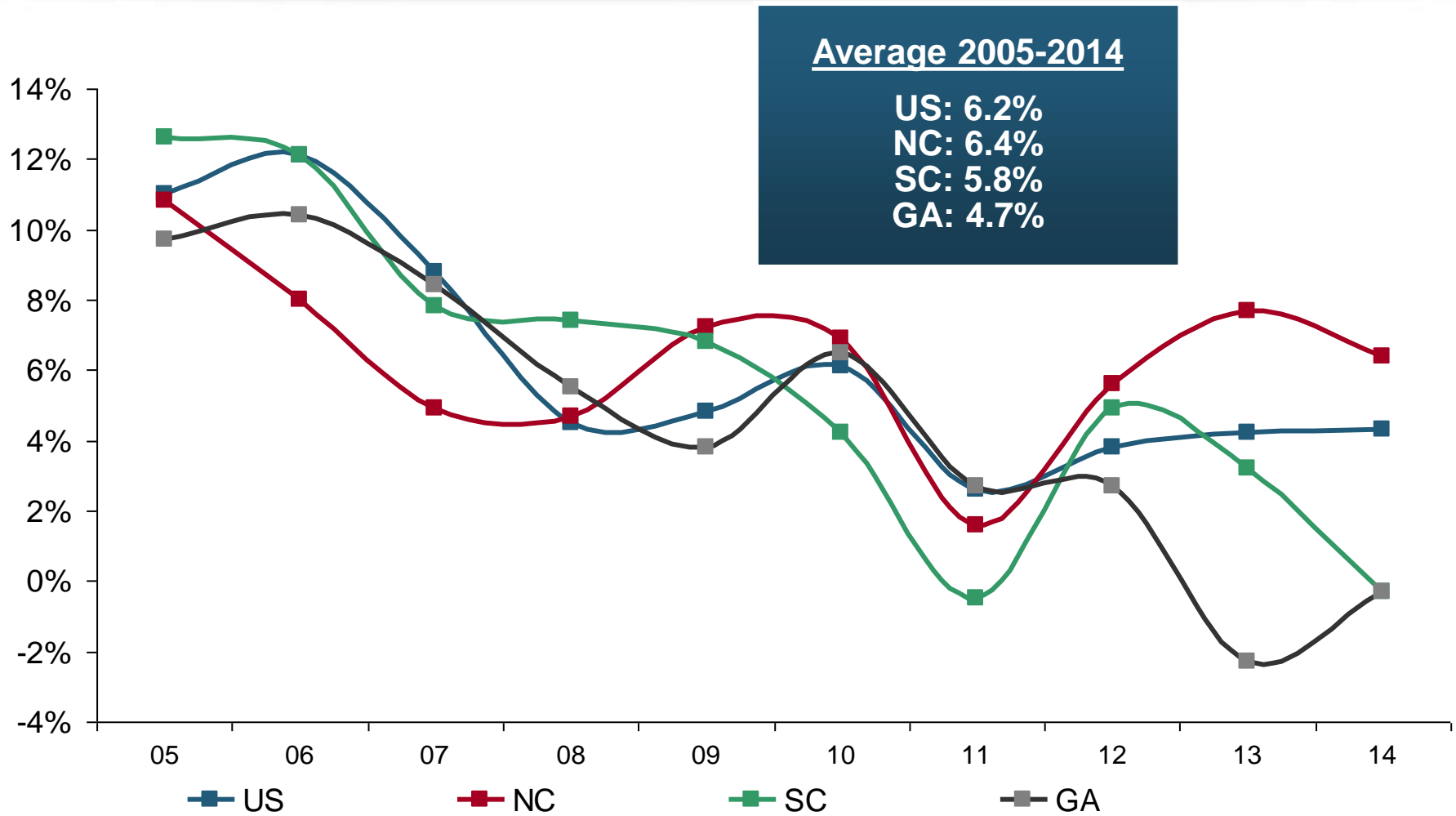
SOURCE: Estimates from National Safety Council.



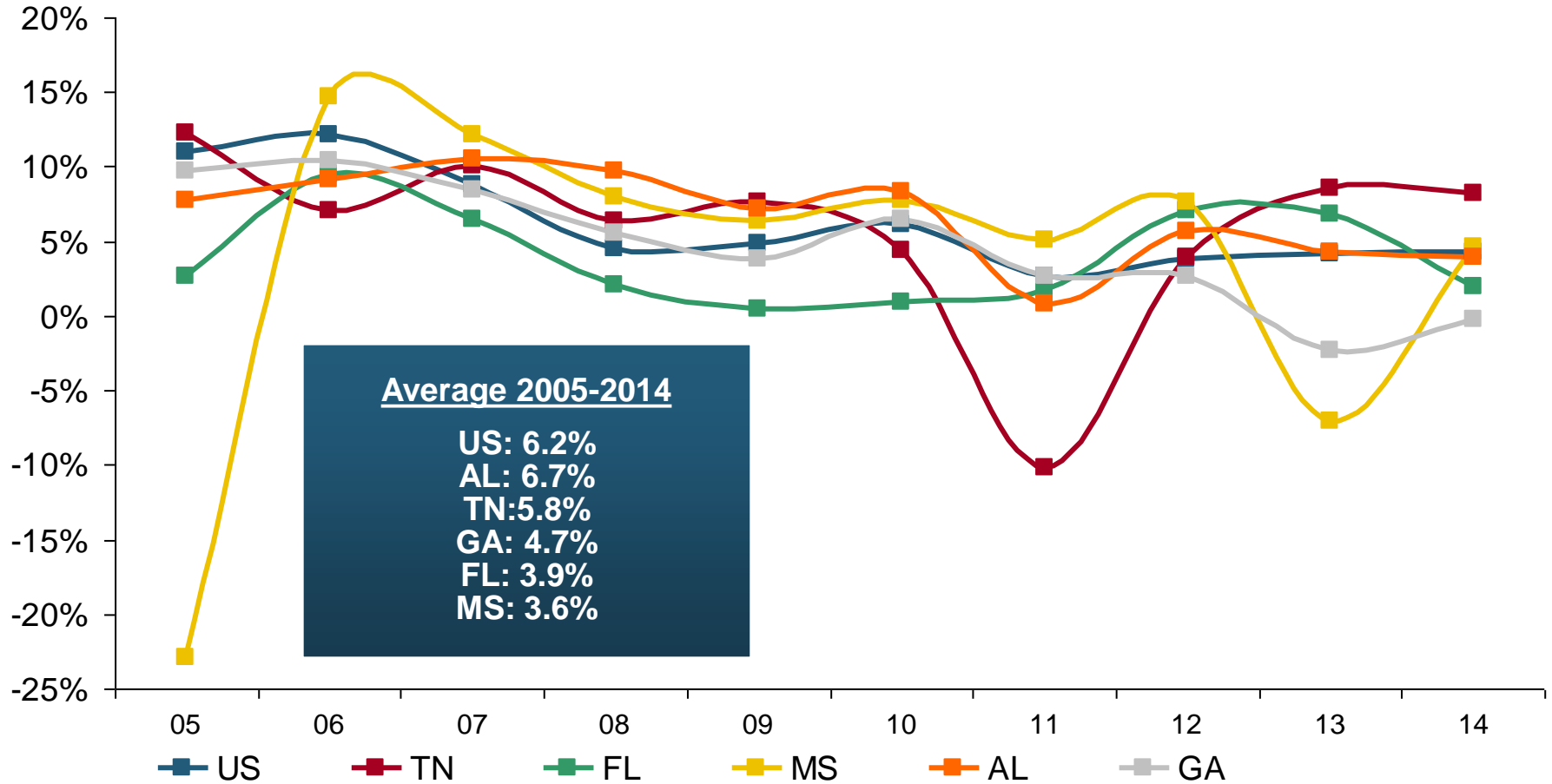
Private Passenger Auto Profitability in Southeast States vs. US

Georgia is Profitability Laggard in the Region and Among the 50 States

RNW PP Auto: NC, SC and GA vs. U.S., 2005-2014



RNW PP Auto: TN, FL, MS, AL vs. U.S., 2005-2014



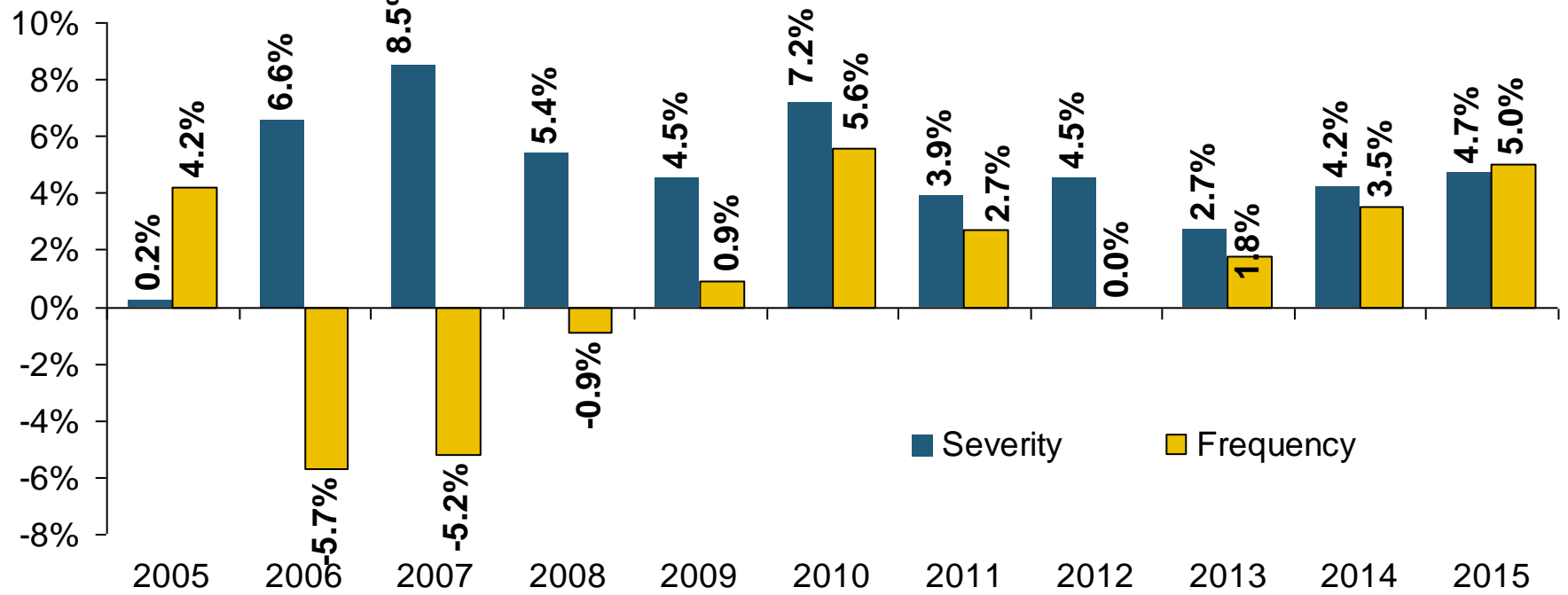


Private Passenger Auto Frequency & Severity Trends in Georgia vs. Southeast States and US

Frequency, Severity and Loss Ratios Are Up in Georgia

Georgia Coverage: BI Severity & Frequency Trends Are Both Higher in 2015

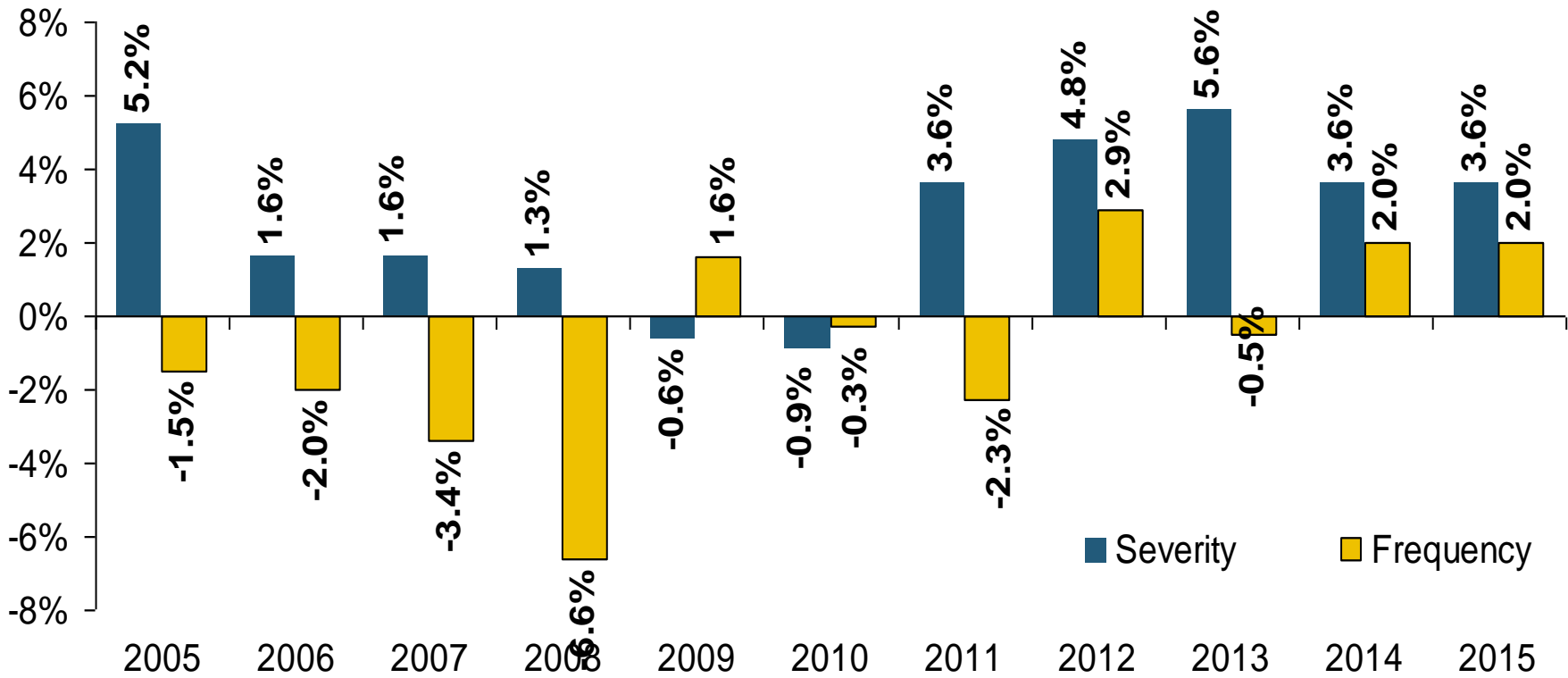
Annual Change, 2005 through 2015



The Recession, High Fuel Prices Helped Temper Frequency and Severity, But this Trend Has Clearly Reversed, Consistent with Experience from Past Recoveries

Georgia Coverage: PD Frequency Trends Are Higher in 2014-2015

Annual Change, 2005 through 2015

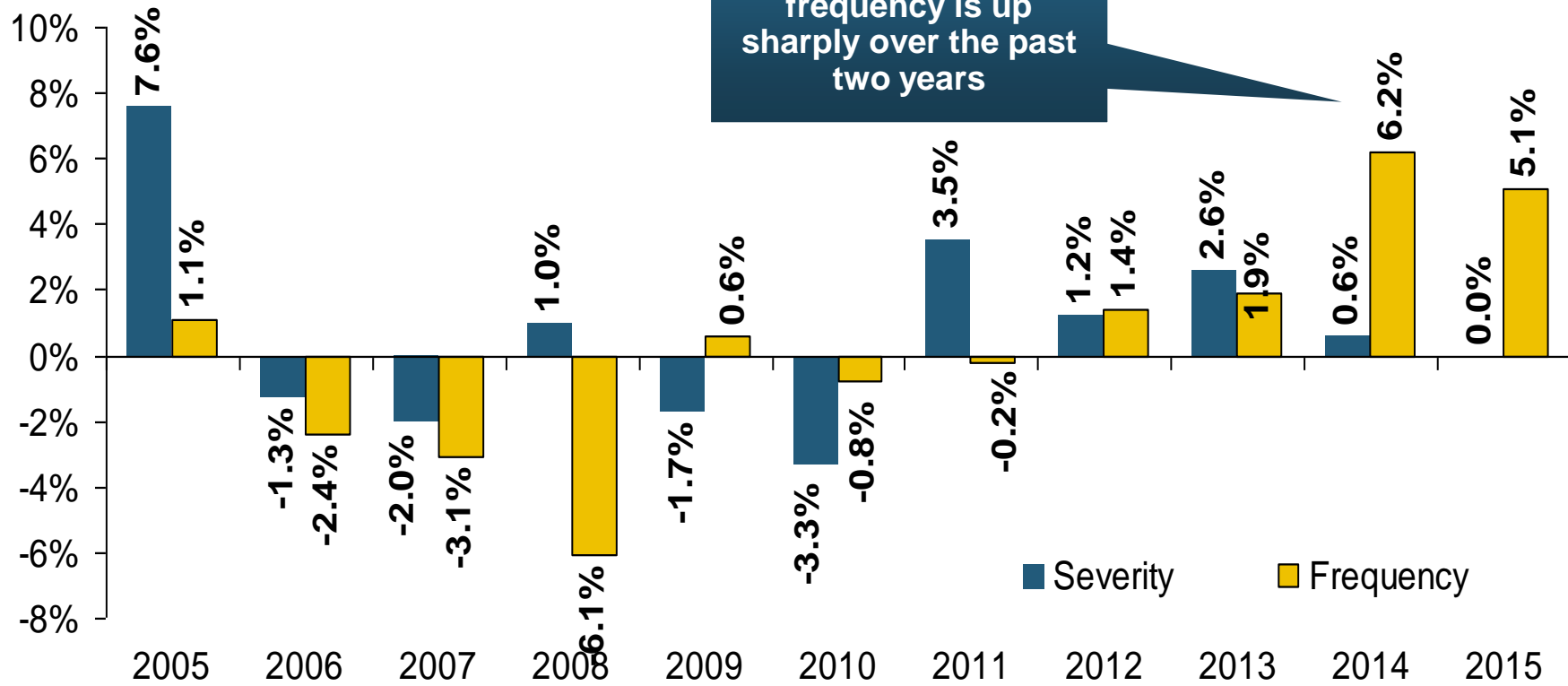


The Recession, High Fuel Prices Helped Temper Frequency and Severity, But this Trend Has Clearly Reversed, Consistent with Experience from Past Recoveries

Source: ISO/PCI *Fast Track* data; Insurance Information Institute

Georgia Coverage: Collision Frequency Trends Are Higher in 2014-2015

Annual Change, 2005 through 2015



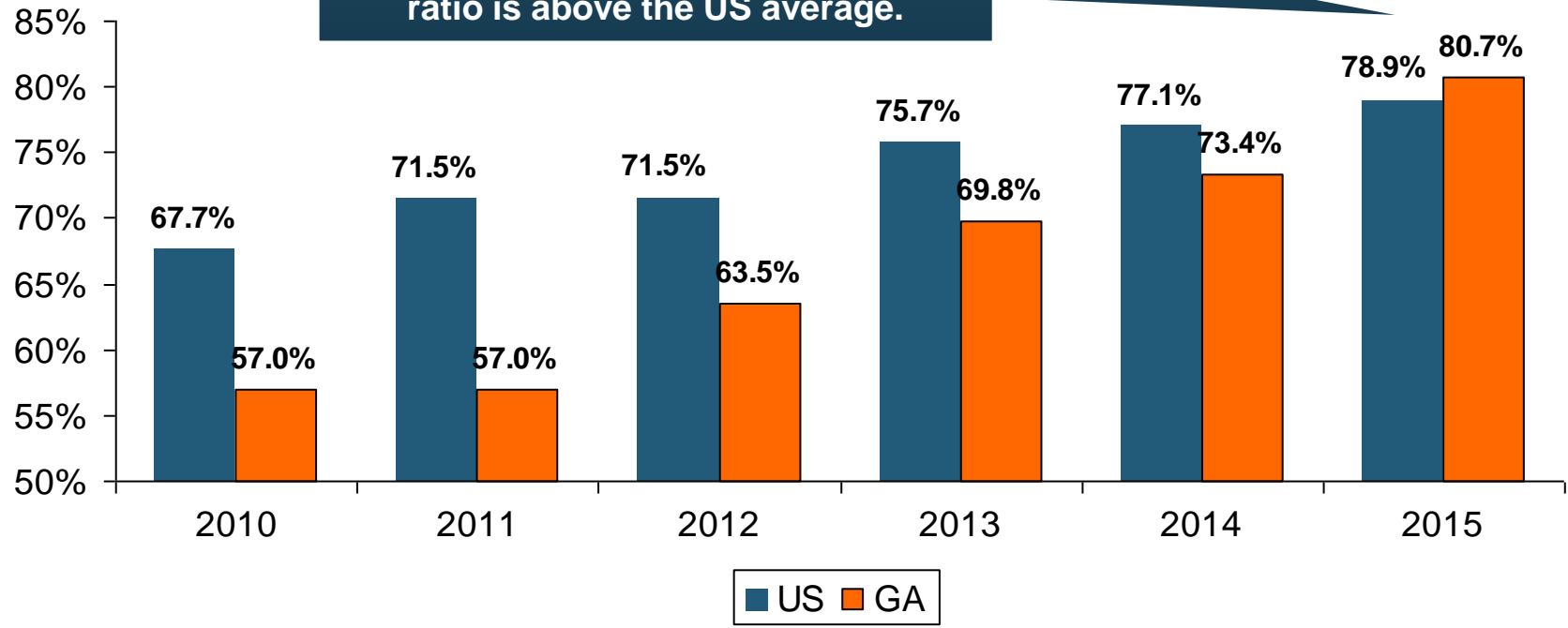
The Recession, High Fuel Prices Helped Temper Frequency and Severity, But this Trend Has Clearly Reversed, Consistent with Experience from Past Recoveries

Source: ISO/PCI *Fast Track* data; Insurance Information Institute

Collision Loss Ratio Trending Upward: Pvt. Passenger Auto, GA vs. US, 2010 – 2015

GA's Collision loss ratio is up 23.7 percentage points since 2010, more than double the 11.2 percentage point increase nationally. For the first time in recent history, GA's collision loss ratio is above the US average.

Loss Ratio

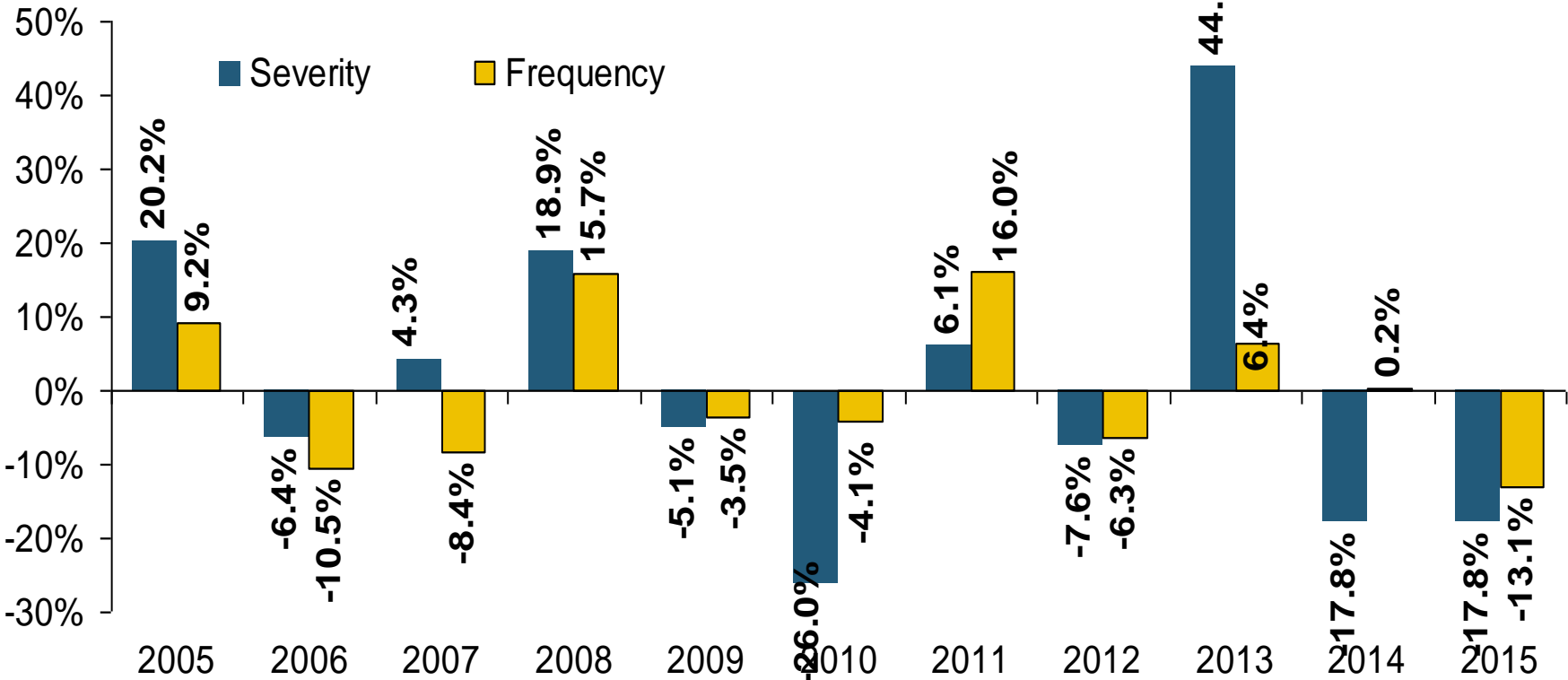


Collision Loss Ratios are Rising Much Faster in Georgia than the US Overall

Source: ISO/PCI *Fast Track* data; Insurance Information Institute.

Georgia Coverage: Comp Frequency, Severity Typically Tied to Weather Events

Annual Change, 2005 through 2015

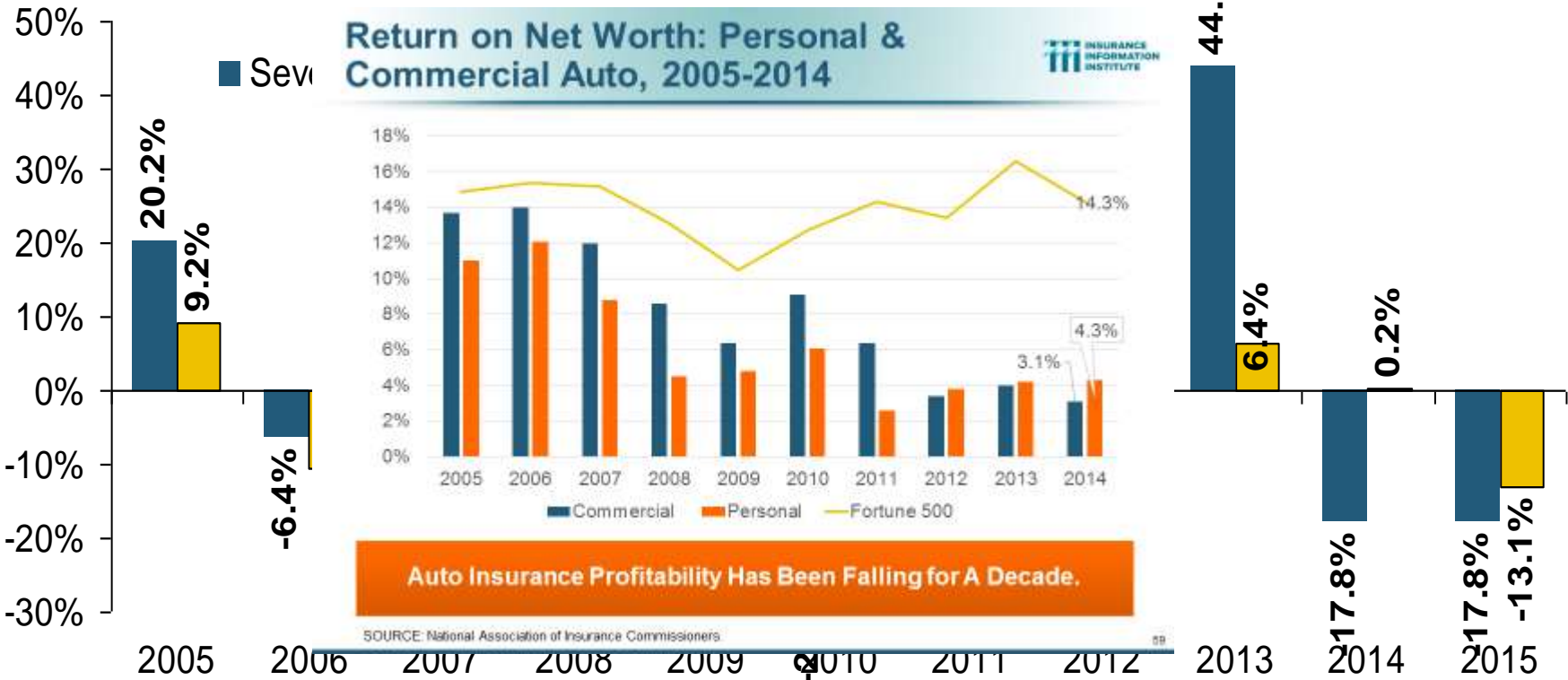


Weather Events Drive Volatility in Comprehensive Coverage

Source: ISO/PCI Fast Track data; Insurance Information Institute

Georgia Coverage: Comp Frequency, Severity Typically Tied to Weather Events

Annual Change, 2005 through 2015



The Recession, High Fuel Prices Helped Temper Frequency and Severity, But this Trend Has Clearly Reversed, Consistent with Experience from Past Recoveries

Speed Limits Are Up All Over Metro Atlanta

Force = Mass x Acceleration*

***The Laws of Physics Apply
Everywhere, including Georgia***

****Newton's Second Law of Motion***

Partnerships with Insurers: Selling Safety and Savings Simultaneously

DEKALB COUNTY:

STATE ROUTE	FROM	MILE POINT	TO	MILE POINT	LENGTH IN MILES	SPEED LIMIT
402 (I-20)	0.34 mi. east of SR 155 / Candler Road "Overpass"	65.98	<u>Snappfinger</u> Creek	70.09	4.11	55 65
402 (I-20)	<u>Snappfinger</u> Creek	70.09	Rockdale County Line	77.35	7.26	65 70
403 (I-85)	0.51 mi. north of SR 42 / North Druid Hills Road "Overpass"	90.05	Gwinnett County Line	97.38	7.33	55 65
413 (I-675)	Cedar Grove Road "Overpass"	9.14	SR 407 (I-285)	11.04	1.90	55 65

Speed limits are up all around the densely populated metro Atlanta area—to as high as 70 mph in some areas

In DeKalb County, speed limits will be increased to 65 and 70 miles per hour.

CREDIT: TASNIM SHAMMA / WABE

COBB COUNTY:

STATE ROUTE	FROM	MILE POINT	TO	MILE POINT	LENGTH	SPEED LIMIT
401 (I-75)	Fulton County Line (N. Atlanta City Limits)	257.63	0.15 mi. south of Terrell Mill Road	260.54	2.91	55 65
402 (I-20)	Douglas County Line	44.76	Factory Shoals Road "Overpass"	45.97	1.21	65 70

Cobb County will see an increase in speed limits to 65 miles per hour along parts of I-75 and I-20.

CREDIT: TASNIM SHAMMA / WABE

CLAYTON COUNTY:

STATE ROUTE	FROM	MILE POINT	TO	MILE POINT	LENGTH	SPEED LIMIT
401 (I-75)	Holiday Blvd. "Underpass"	234.18	Fulton County Line (S. Atlanta City Limits)	239.56	5.38	55 65
403 (I-85)	Fulton County Line	70.82	Fulton County Line	72.18	1.36	55 65

GDOT will increase speed limits in Clayton County.

CREDIT: TASNIM SHAMMA / WABE

Partnerships with Insurers: Selling Safety and Savings Simultaneously

GWINNETT COUNTY:

STATE ROUTE	FROM	MILE POINT	TO	MILE POINT	LENGTH	SPEED LIMIT
SR 403	Dekalb County Line	97.00	0.28 miles south of State Route 317 (South Suwanee City Limits)	111.17	14.17	70
SR 403	0.28 miles south of State Route 317 (South Suwanee City Limits)	111.17	1.13 miles north of State Route 317 (North Suwanee City Limits)	112.58	01.41	70
SR 403	1.13 miles north of State Route 317 (North Suwanee City Limits)	112.58	State Route 419/985 at State Route 403/I-85 Split	112.79	00.21	70
SR 403 SB CD	SB CD Ramp off of I-85 0.84 miles north of Old Peachtree Road	109.80	SB CD Ramp onto I-85 0.17 miles south of Old Norcross Road	105.00	04.80	70
SR 403 NB CD	NB CD Ramp off of I-85 0.60 miles north of Pleasant Hill Road	104.60	NB CD Ramp onto I-85 0.43 miles north of Old Peachtree Road	109.40	04.80	70

Speed limits are up all around the densely populated metro Atlanta area—to as high as 70 mph in some areas

DOUGLAS COUNTY:

STATE ROUTE	FROM	MILE POINT	TO	MILE POINT	LENGTH	SPEED LIMIT
402 (I-20)	South Baggett Road	31.62	Bright Star Road "Overpass" (W. Douglasville City Limits)	33.57	1.95	65 70
402 (I-20)	Bright Star Road "Overpass" (W. Douglasville City Limits)	33.57	0.04 mi. west of Burnt Hickory Road "Overpass" (E. Douglasville City Limits)	38.37	4.80	65 70
402 (I-20)	0.04 mi. west of Burnt Hickory Road "Overpass" (E. Douglasville City Limits)	38.37	Cobb County Line	44.76	6.39	65 70

GDOT is increasing speed limits in Douglas County to 70 miles per hour.

The speed limit in Gwinnett County will increase to 70 miles per hour in Suwanee and other parts of the county.

ROCKDALE COUNTY:

STATE ROUTE	FROM	MILE POINT	TO	MILE POINT	LENGTH	SPEED LIMIT
402 (I-20)	Dekalb County line	77.35	0.41 miles west of West Avenue (W. Conyers City Limits)	80.35	3.00	65 70
402 (I-20)	0.41 miles west of West Avenue (W. Conyers City Limits)	80.35	S.R. 162 / Salem Road (E. Conyers City Limits)	84.48	4.13	65 70
402 (I-20)	S.R. 162 / Salem Road (E. Conyers City Limits)	84.48	Newton County line	86.02	1.54	70

GDOT is increasing the speed limit in parts of Rockdale County.

Source: WABE at <http://news.wabe.org/post/65-too-slow-try-70-miles-hour-gdot-increases-speed-limits-metro-atlanta>
Insurance Information Institute research.

Insurance Information Institute Online:

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and your attention!*

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