



Personal injury protection versus medical payment Comparison of losses under the two coverages, 2003-05 models

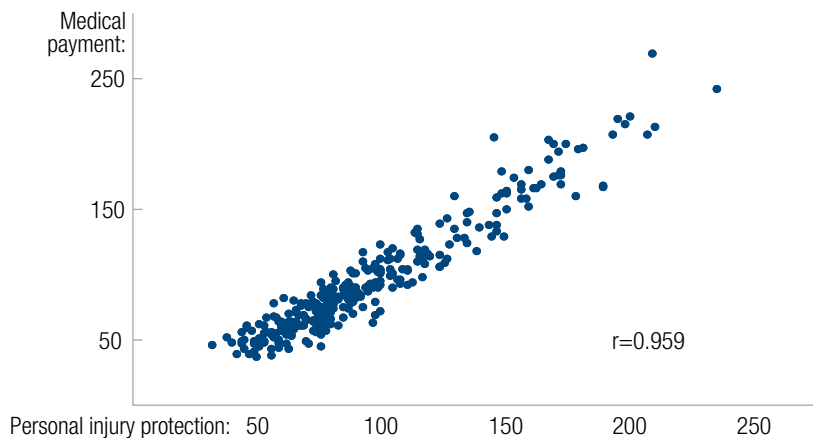
Two insurance coverages pay for first-party medical costs (that is, the costs of injuries to insured people), and the coverage an insured person has depends on the state in which the insurance was purchased. In states with no-fault insurance systems, personal injury protection coverage insures against injuries sustained by insured drivers and other people in their vehicles, regardless of who is at fault in a collision. In other states with traditional tort insurance systems, medical payment coverage insures against injuries sustained in crashes to insured people.

The information in this fact sheet is based on personal injury protection and medical payment coverage results for 2003-05 model passenger cars (including minivans), pickups, and SUVs insured under private passenger automobile policies. The main finding is a strong correlation between claim frequencies under the two coverages. Vehicles with lower claim frequencies under personal injury protection coverage are likely to have fewer claims under medical payment. Experience under one coverage predicts experience under the other.

Relative claim frequencies personal injury protection vs. medical payment coverage

(100=Average=10.5 per 1,000 insured vehicle years for medical payment coverage

100=average=14.9 per 1,000 insured vehicle years for personal injury protection coverage)



Frequencies of insurance claims filed for 2003-05 models under personal injury protection and medical payment coverages track very closely. Experience under one coverage predicts experience under the other.