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Contact: David Corum, CPCU
Phone: (484) 831-9046
E-mail: corum@TheInstitutes.org

Recession Marked by Bump in Uninsured Motorists

IRC Analysis Finds One in Seven Drivers Are Uninsured

MALVERN, Penn.—April 20, 2011— Across the United States, chances are roughly one in seven that a driver is uninsured, according to new estimates from the Insurance Research Council (IRC). The estimated percentage of uninsured motorists declined four straight years before rising to 14.3 percent in 2008 and dropping to 13.8 percent in 2009. The economic downturn is thought to be a major factor in the brief increase.

“The leveling trend in the percentage of uninsured motorists is an unfortunate consequence of the economic downturn and illustrates how virtually everyone is affected by recent economic developments,” said Elizabeth A. Sprinkel, senior vice president of the IRC. “Despite laws in many states requiring drivers to maintain insurance, about one in seven motorists remain uninsured. This forces responsible drivers who carry insurance to bear the burden of paying for injuries caused by drivers who carry no insurance at all.”

In a new study, *Uninsured Motorists, 2011 Edition*, IRC estimates the percentage of uninsured drivers countrywide and in individual states for 2008 and 2009. The IRC estimates are based on the ratio of uninsured motorist (UM) insurance claim frequency to bodily injury (BI) claim frequency. UM claims are made by individuals who are injured in accidents caused by uninsured drivers. BI claims are made by individuals injured in accidents caused by insured drivers. The magnitude of the uninsured motorist problem varies from state to state. In 2009, the five states with the highest uninsured driver estimates were Mississippi (28 percent), New Mexico (26 percent), Tennessee (24 percent), Oklahoma (24 percent), and Florida (24 percent). The five states with the lowest uninsured driver estimates were Massachusetts (4.5 percent), Maine (4.5 percent), New York (5 percent), Pennsylvania (7 percent), and Vermont (7 percent).

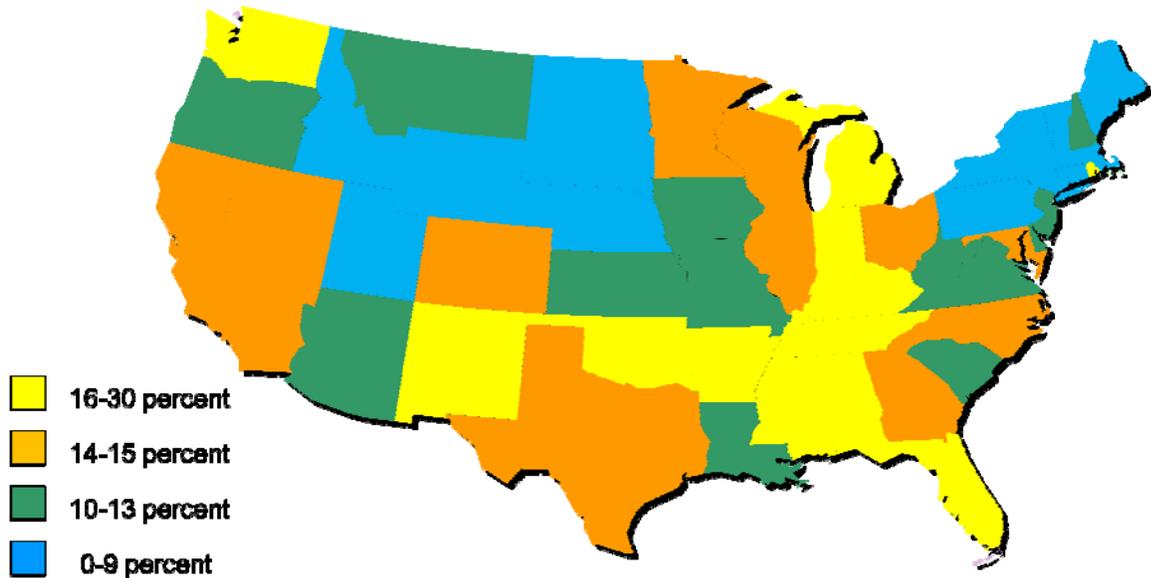
In a previous report, the IRC anticipated a trend reversal in the countrywide estimate of the percentage of uninsured motorists, citing a strong historical relationship between the national unemployment rate and the national UM to BI ratio. The strength of the historical relationship appears to have diminished slightly with the inclusion of more recent data. Several possible reasons for this are discussed in the report.

The IRC study examines data collected from nine insurers, representing approximately 50 percent of the private passenger auto insurance market in the U.S. For more information on the study’s methodology and findings, contact David Corum, at (484) 831-9046, or by e-mail at irc@TheInstitutes.org. Copies of the study are available for \$125 for an electronic version, or \$140 for a printed copy. Visit IRC’s Web site at www.ircweb.org for more information.

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NOTE TO EDITORS: The Insurance Research Council is a division of the American Institute For CPCU (The Institutes). The Institutes are an independent, nonprofit organization dedicated to providing educational programs, professional certification, and research for the property-casualty insurance business. The IRC provides timely and reliable research to all parties involved in public policy issues affecting insurance companies and their customers. The IRC does not lobby or advocate legislative positions. It is supported by leading property-casualty insurance organizations.

Percent of Motorists Uninsured by State in 2009*



*Estimated using UM to BI claim frequency ratios

Estimated Percent of Uninsured Motorists by State in 2009

State	Uninsured	State	Uninsured	State	Uninsured
Mississippi	28%	Maryland	15%	Virginia	11%
New Mexico	26%	Texas	15%	Delaware	11%
Tennessee	24%	Illinois	15%	South Carolina	11%
Oklahoma	24%	Wisconsin	15%	Wyoming	10%
Florida	24%	Missouri	14%	Oregon	10%
Alabama	22%	North Carolina	14%	Kansas	10%
Michigan	19%	Nevada	13%	Connecticut	10%
Kentucky	18%	Minnesota	13%	North Dakota	9%
Rhode Island	18%	Alaska	13%	South Dakota	9%
Indiana	16%	Louisiana	13%	Utah	8%
Washington	16%	Arizona	12%	Idaho	8%
Arkansas	16%	Iowa	11%	Nebraska	8%
Ohio	16%	Montana	11%	Vermont	7%
Georgia	16%	Hawaii	11%	Pennsylvania	7%
District of Columbia	15%	New Jersey	11%	New York	5%
Colorado	15%	New Hampshire	11%	Maine	4%
California	15%	West Virginia	11%	Massachusetts	4%