



Property Casualty Insurers
Association of America

Shaping the Future of American Insurance

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Americans Express Strong Opposition to being Charged for Accident Response Services

CHICAGO – A new Harris Interactive poll conducted by telephone for the Property Casualty Insurers Association of America found that a resounding three out of four adults (76 percent) believe their taxes cover the time and services provided by emergency response providers following a traffic accident. As a result, they believe additional accident response fees charged by local governments are not necessary.

“There is strong public opposition across the country to this new trend of charging accident response fees,” said Robert Passmore, senior director, personal lines for the Property Casualty Insurers Association of America (PCI). “Public safety is the primary duty of local government and police or firefighting services are already paid for through property and other local taxes. Motorists clearly see this for what it is: local governments trying to impose a hidden, double tax on consumers. We call these fees an accident tax or crash tax.”

In recent years, local governments looking to plug budget shortfalls have sought to impose fees on traffic accident victims. These fees can range from a few hundred to a few thousand dollars or more. Some local governments levy the fee on all accident victims, while others just charge out-of-town drivers. Still others target at-fault drivers or accidents that involve fires or spill cleanups. These fees are often charged to insurance companies. But often these costs are not covered by insurance, which could leave the accident victim facing a bill or the potential of higher insurance costs.

According to this survey, only one-third of adults believe charging these fees are appropriate, while twice as many (six in ten) disagree with the practice. The opposition to charging these fees grows to 66 percent if it were to lead to an increase in the cost of insurance and 70 percent if only non-residents are charged the fee. The survey also found that charging accident response fees could also have a significant impact on local businesses and tourism, as more than four in ten adults reported they would be reluctant to travel in towns that assess such fees.

“The crash tax adds insult to injury by victimizing drivers twice – once by being in an unfortunate accident and then again with a fee,” said Passmore. “Then when you add the potential negative impact on local businesses, charging for emergency services is simply a bad public policy option for local governments.”

The accident response fee issue is currently being discussed in several major cities such as New York City, Denver, Sacramento and Tulsa. Additionally, 10 states restrict local governments from charging accident response fees. Such legislation is already in effect in Alabama, Arkansas, Florida, Georgia, Indiana, Louisiana, Missouri, Oklahoma, Pennsylvania and Tennessee. Although it is early in the 2011 state legislative process, bills to prohibit local governments from charging accident response fees have been introduced in Arizona, California and Michigan.

The Harris Interactive survey was conducted for the Property Casualty Insurers Association of America by telephone within the United States between January 12th and 16th, 2011 among 1,428 adults aged 18 or older. This data was weighted as necessary to bring them into line with their actual proportions of the population.

PCI is composed of more than 1,000 member companies, representing the broadest cross-section of insurers of any national trade association. PCI members write over \$174 billion in annual premium, 37.1 percent of the nation's property casualty insurance. Member companies write 43.1 percent of the U.S. automobile insurance market, 30.6 percent of the homeowners market, 35 percent of the commercial property and liability market, and 41.5 percent of the private workers compensation market.

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