



# Insuring the American Driver

Trends in costs and coverage



# About this report

Insurify's **Insuring the American Driver** report is a comprehensive analysis of the **2020 car insurance quoting landscape**, analyzing over **25 million auto insurance premiums**.

It takes a closer look at the unique factors driving individual **insurance costs**, covers **major events** in the industry from this year, and offers **rate projections** looking ahead to 2021.

Car insurance is one of the most universal and expensive regular expenditures across American households. Each car owner's insurance needs (and costs) will vary according to who they are, where they live, what they drive, and how they drive. To learn more about pricing trends in such an influential industry, **Insurify's** analytics team examined quoting information for millions of auto insurance applications detailing drivers' vehicles, driving records, and demographic information.

**Insurify** is the top-rated virtual insurance agent in America, offering instant quote comparison for auto, home, and life policies. It is also a valued source of data-driven trends, statistics, insights, and consumer education about the insurance industry.

# Auto insurance coverage in plain English

**Your car insurance policy is represented by three numbers.**

**50**

**Bodily injury liability  
per person**

**100**

**Bodily injury liability  
per accident**

**50**

**Property damage  
per accident**

These numbers denote how much money your insurance provider will pay to cover injury and property damage expenses in the event of an accident.

## How much coverage should you purchase?

Every driver needs liability coverage, since it's mandatory in all states except New Hampshire. Liability coverage covers injuries and property damage sustained by other parties when you cause an accident.

**"State minimum"** coverage usually refers to the minimum level of liability coverage your state requires you to purchase. If you want coverage for yourself, your property, and your passengers, you need **these additional coverages**:

- **Collision coverage:** Covers damage sustained to your car if it collides with another vehicle or object.
- **Comprehensive coverage:** Covers damage sustained to your car in any accident that isn't a collision, including damage caused by vandalism, theft, and weather conditions.

**"Full coverage"** car insurance includes liability, collision, and comprehensive coverage. Other common coverage options include **personal injury protection, medical payments coverage, and uninsured/underinsured motorist coverage.**

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# New developments in 2020

The coronavirus pandemic and corresponding economic crisis have had an unprecedented impact on all areas of life, and car ownership is no exception.

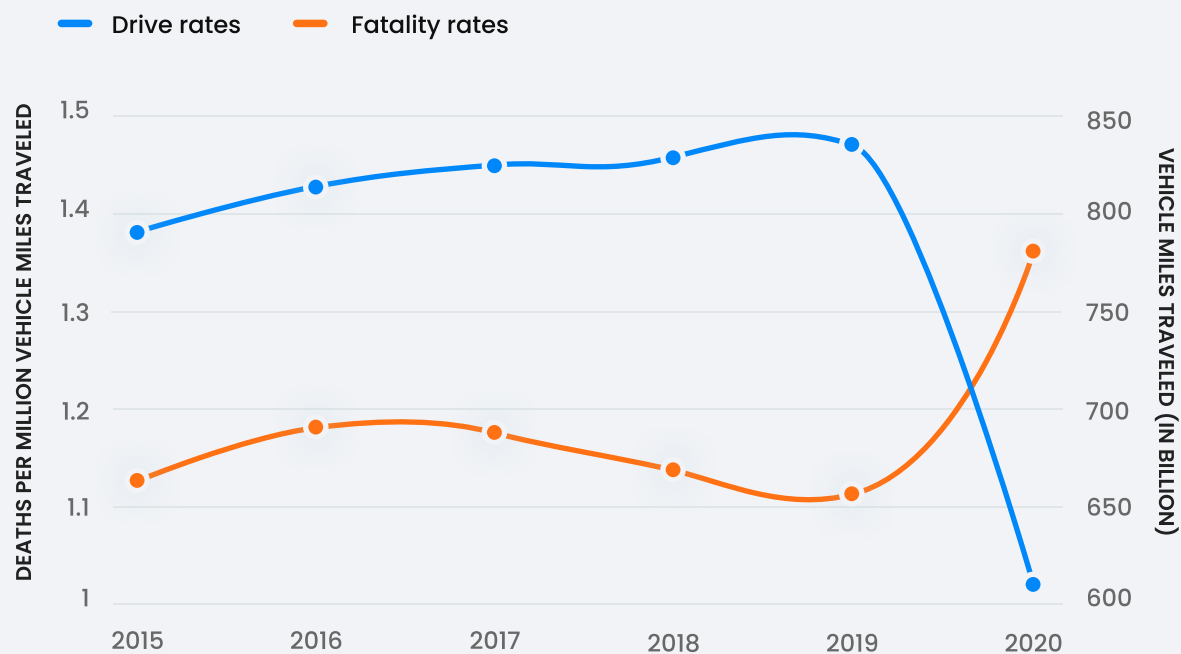
# Driving rates are down, but fatality rates are up

In March, April, and May, Americans drove 28 percent fewer miles in 2020 than during the same period last spring.

Preliminary data also suggests that the number of fatalities dropped 12 percent annually over this same time.

That said, the fatality rate increased by 23 percent as motorists drove more recklessly when faced with less congested roads.

## Driving & fatality rates



\*Values shown for the months of March–May each given year.

\*\* Source: Insurify's analysis of data from the National Safety Council

# How have insurers responded to the pandemic?

With historically low claims rates, auto insurance providers are expected to save billions of dollars during the pandemic. How have companies responded to this windfall?

**57%**

of providers offered some form of **payment relief**

**10–30%**

of a policyholder's monthly payment was reduced in the form of a **discount, refund, or credit**

Only

**10%**

of companies continued offering payment relief past **May**

The vast majority of payment relief measures, as well as cancellation moratoriums, are not ongoing.

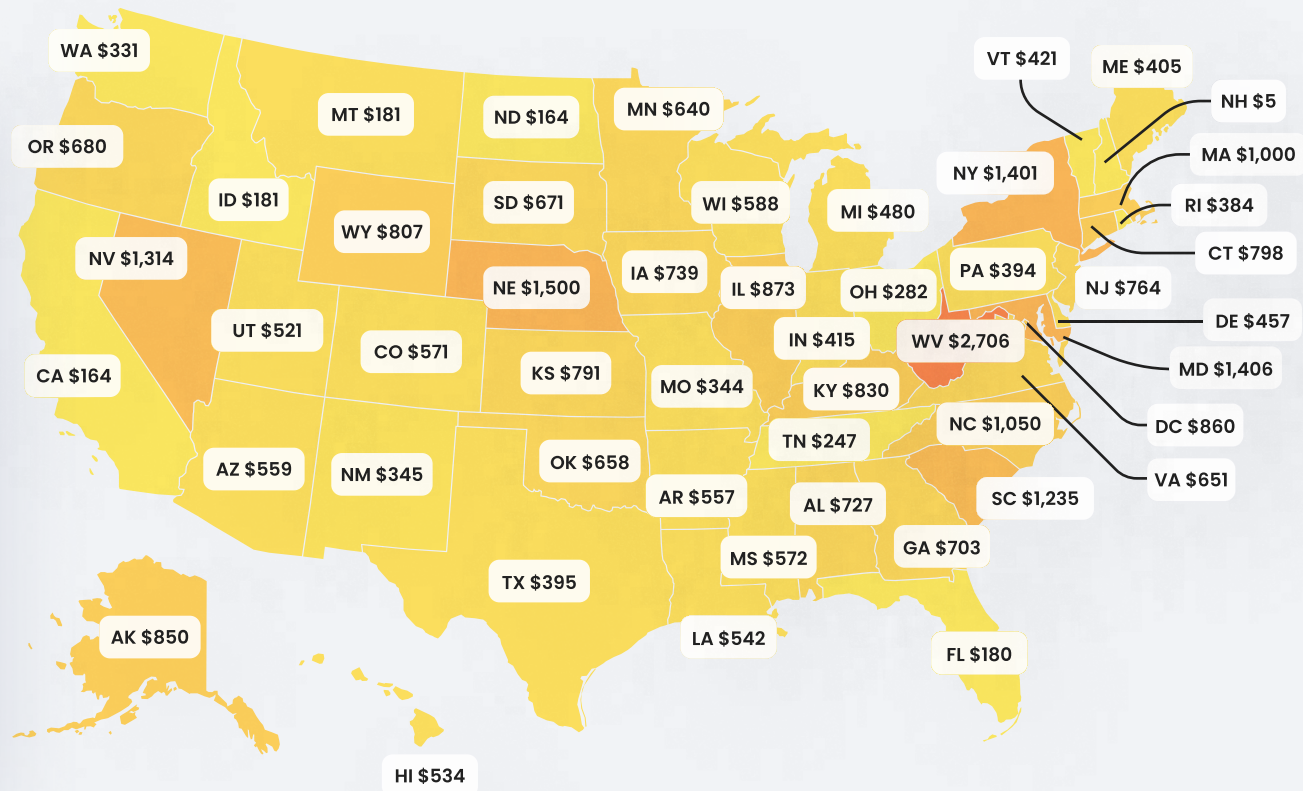
# Hidden costs of canceling a policy by state

For many Americans facing more economic uncertainty and spending more time at home during the pandemic than ever before, canceling car insurance coverage may seem like a logical way to cut spending. However, it may end up costing more in hidden fees.

## INSURIFY INSIGHT

A mere 60-day lapse in coverage costs the average American driver the equivalent of an additional **22 percent** of their current policy due to DMV insurance lapse fees and lost prior insurance discounts.

If caught driving without insurance, drivers can expect to pay **57 percent** more than their current policy between fines and insurance penalties. This translates to **\$178** for just a two-month lapse—a figure that jumps to **\$841** if caught driving uninsured.





# Which factors determine your car insurance rate, and why?

## Location

Insurance companies use your location to calculate your premium, from the state level down to your ZIP code. The “safer” a company deems your location, the less likely you are to file a claim, and the lower your premium. Some states have outlawed this practice.

## Driving record

Drivers with a clean record are less likely to file claims. As such, they fetch cheaper premiums than those with a record marred by accidents and tickets.

## Discounts

The more discounts, the better, right? A seemingly expensive policy could be a lot more affordable if you're eligible for the right discounts.

## Vehicle

A used Chevy pickup, a certified pre-owned Honda, and a brand-new Tesla X command different insurance payments due to the **varying age and quality of their car parts**. Generally, older cars with easily replaceable parts are cheaper to insure than newer cars are.

## Who you are

Usually, female drivers, married drivers, and drivers between the ages of 25 and 65 pay lower rates. Statistically, these demographic groups are less likely to file claims.

## Coverage

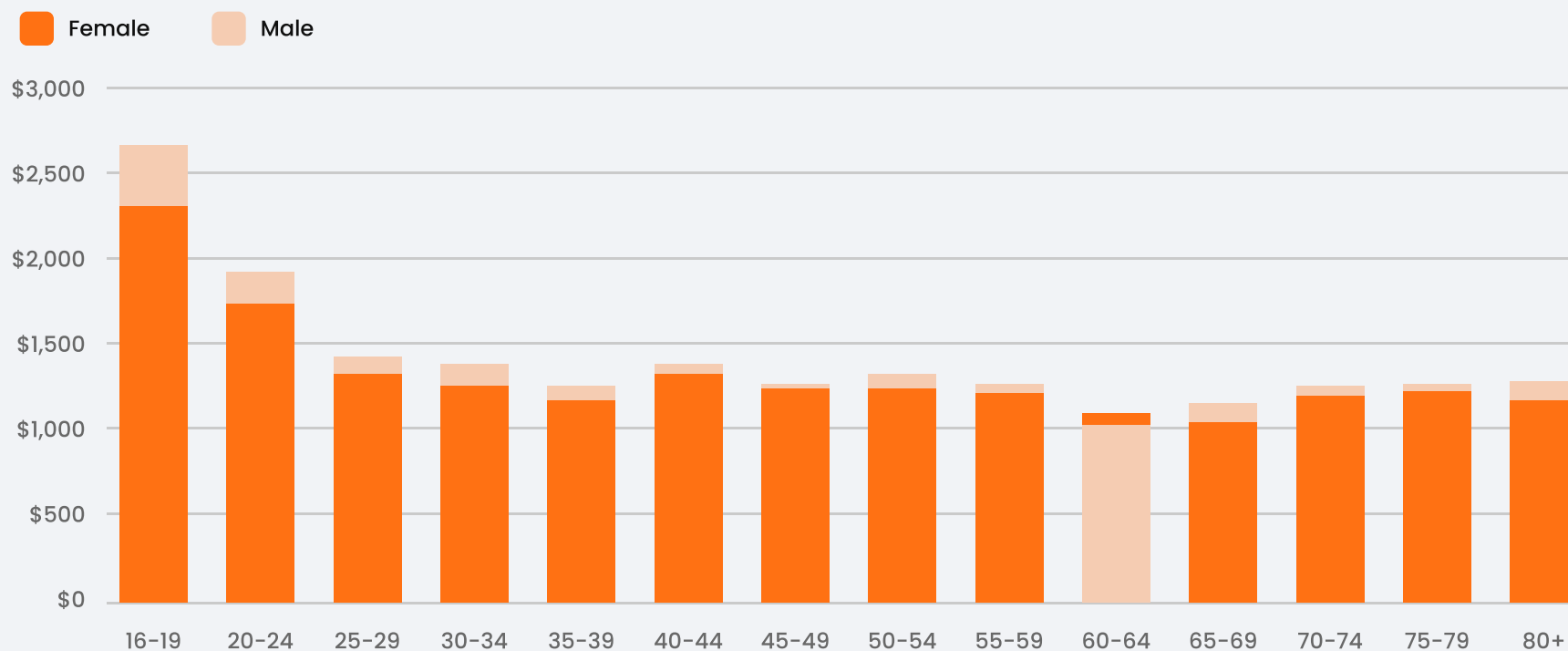
The more coverage you purchase, the more expensive your premium.

# Your demographics

# How do gender and age impact auto insurance quotes?

**Your gender impacts your car insurance rates, as does your age.**

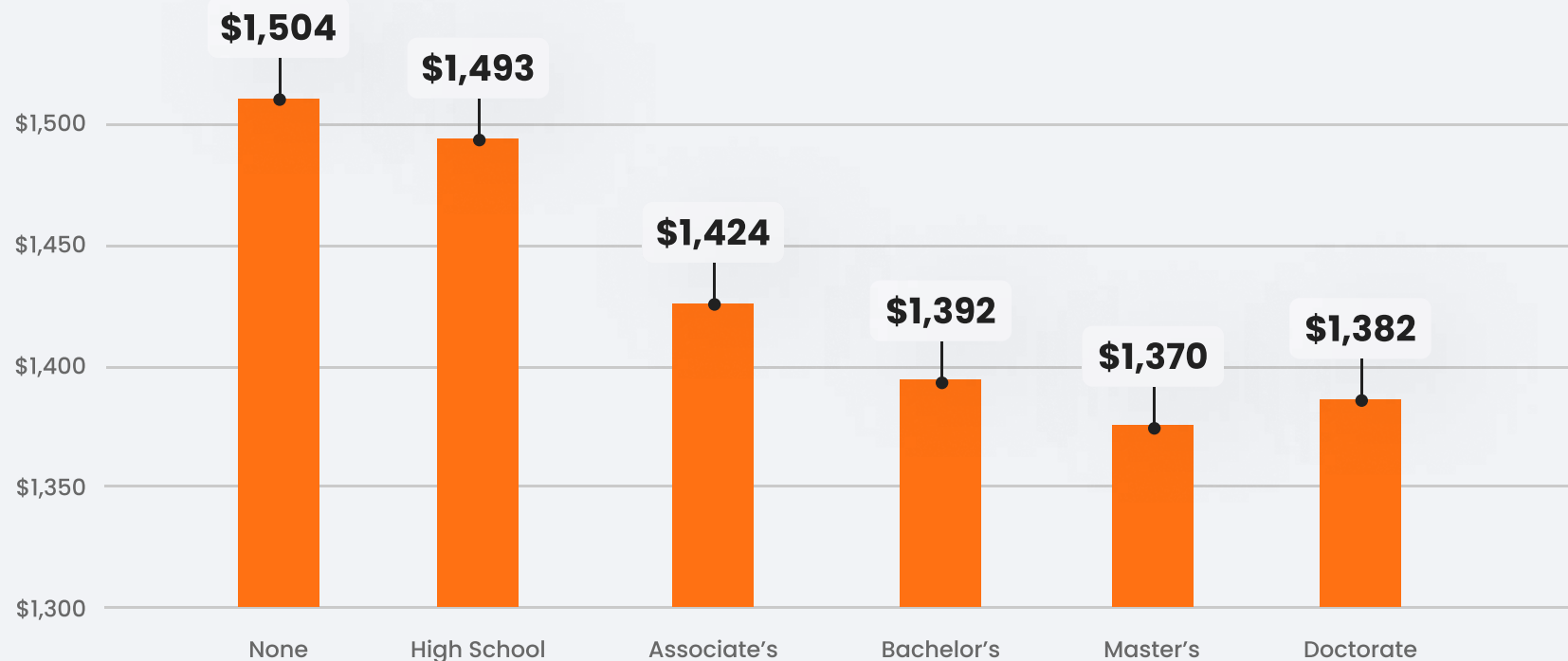
Women pay the least for car insurance: 4% less than men, and 8% less than non-binary policyholders.



# More educated drivers pay less for car insurance

On average, drivers with a Master's degree pay the least on their insurance policy, while drivers without a high school diploma pay the most.

However, the difference between these average policies is only **\$122, or eight percent**.



# What impact does marriage and homeownership have on auto insurance?

Marriage tends to come with some financial perks (tax breaks, anyone?). But when it comes to car insurance, marriage is a mixed bag.

While married renters pay less on car insurance than unmarried renters, married homeowners actually pay more than unmarried homeowners.

Homeowners tend to pay less on their car insurance than renters. In fact, **unmarried homeowners pay the least: 15 percent less than married renters and 21 percent less than unmarried ones.**

## Homeownership status

| Single         | Married        | Divorced       |
|----------------|----------------|----------------|
| <b>\$1,485</b> | <b>\$1,342</b> | <b>\$1,303</b> |

## Marital status

| Doesn't own home | Homeowner      |
|------------------|----------------|
| <b>\$1,467</b>   | <b>\$1,450</b> |



Unmarried homeowners

**\$1,209**



Married homeowners

**\$1,406**



Unmarried renters

**\$1,528**



Married renters

**\$1,419**



# Credit score

**Unless you purchase car insurance from a no-credit-check insurer, your credit score will affect your policy's price.**

Improving your credit score can also improve the price of your auto insurance policy. Drivers with a good credit score pay less on average than those who do not.

If you're a driver with no credit score or with a poor credit score, comparison shopping for car insurance or purchasing car insurance from a no-credit-check provider can reduce the cost of your policy.

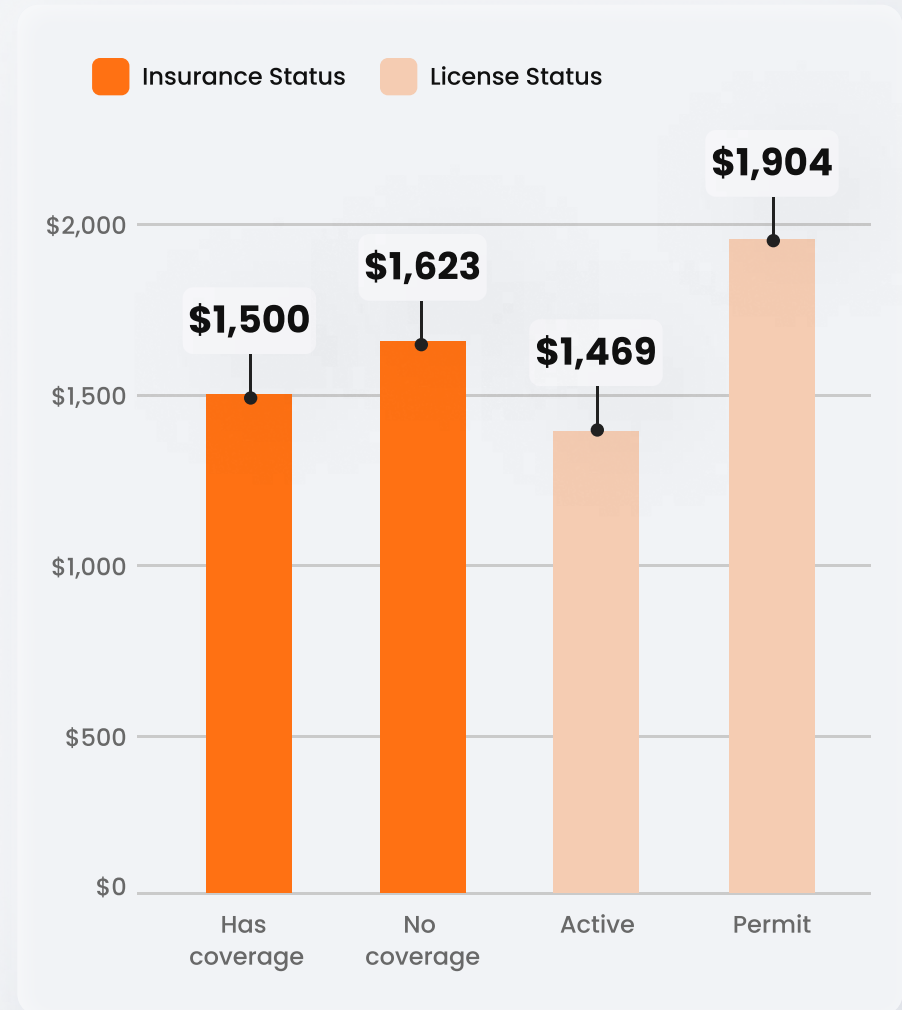


# Prior insurance history & license status

**Driving without insurance can raise your premium, as can driving without a license or with a learner's permit.**

The average driver purchasing a car insurance policy with no car insurance at the time of shopping risks paying over **8 percent** more for it.

On average, car insurance for drivers with a learner's permit costs **30 percent** more than it does for drivers with an active license.

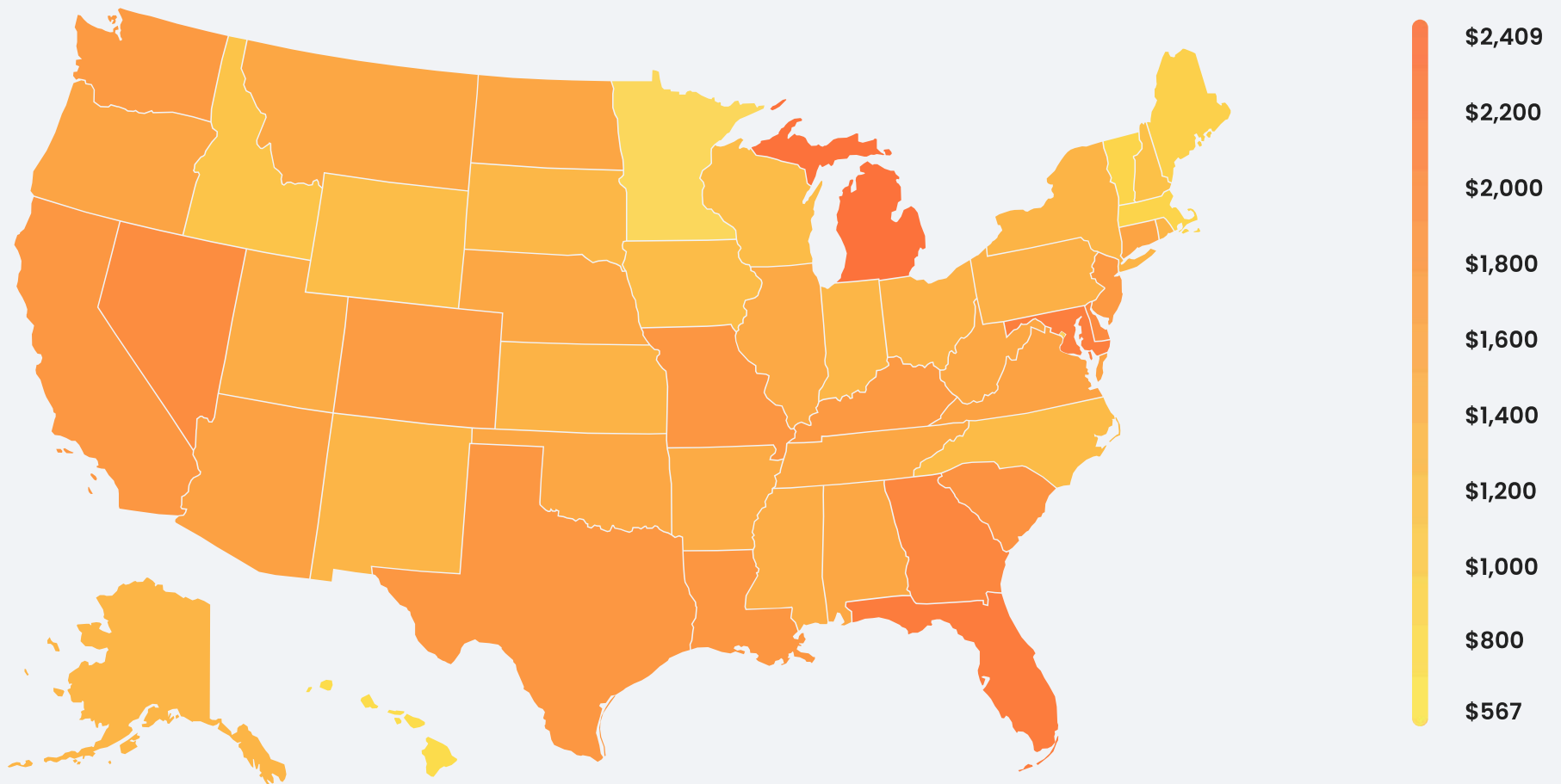


# Your location

# Cost by State

Regional differences in car insurance costs are driven by differing **weather patterns, crime rates, and laws.**

Generally, the **more populous an area, the higher the insurance premiums.**



# The 10 States with the cheapest auto insurance



1. Hawaii

**\$567**



2. Vermont

**\$641**



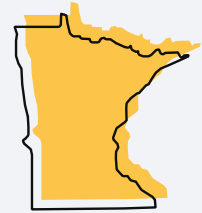
3. Massachusetts

**\$654**



4. Maine

**\$691**



5. Minnesota

**\$702**



6. Idaho

**\$804**



7. New Hampshire

**\$833**



8. Wyoming

**\$876**



9. Wisconsin

**\$884**



10. Iowa

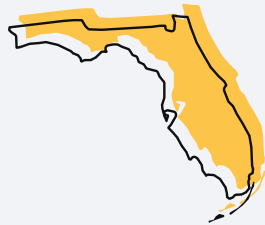
**\$886**



# The 10 States with the most expensive auto insurance



**1. Michigan**  
**\$2,409**



**2. Florida**  
**\$2,178**



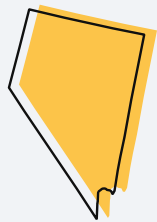
**3. Maryland**  
**\$2,090**



**4. Georgia**  
**\$1,910**



**5. Delaware**  
**\$1,806**



**6. Nevada**  
**\$1,760**



**7. South Carolina**  
**\$1,634**



**8. Louisiana**  
**\$1,535**



**9. Missouri**  
**\$1,519**



**10. Texas**  
**\$1,506**

# Top 10 cities with the cheapest car insurance

Relatively lenient local laws and regulations, lower traffic congestion, and less extreme weather may result in lower rates.

Drivers in cities with both lower crime rates and other risk factors will enjoy lower-than-average car insurance premiums.



**1. Asheville, NC**  
**\$603**



**2. Kingman, AZ**  
**\$662**



**3. Bangor, ME**  
**\$675**



**4. Lake Havasu City, AZ**  
**\$700**



**5. Eureka, CA**  
**\$706**



**6. Chapel Hill, NC**  
**\$711**



**7. Honolulu, HI**  
**\$730**



**8. New Bern, NC**  
**\$730**



**9. Statesville, NC**  
**\$736**



**9. Williamsport, PA**  
**\$753**

# Top 10 cities with the most expensive car insurance

The risk of extreme weather, higher crime rates, and traffic density are some factors that result in higher car insurance premiums in these cities.

States with no-fault insurance laws and high personal injury protection (PIP) requirements may also contribute to these city's higher-than-average premiums.



**1. Detroit, MI**  
**\$3,882**



**2. Dearborn, MI**  
**\$3,511**



**3. Randallstown, MD**  
**\$3,395**



**4. Southfield, MI**  
**\$3,366**



**5. Gwynn Oak, MD**  
**\$3,336**



**6. Hialeah, FL**  
**\$3,289**



**7. Homestead, FL**  
**\$3,277**



**8. Miami Garden, FL**  
**\$3,248**



**9. Windsor Mill, MD**  
**\$3,214**



**10. Dearborn Heights, MI**  
**\$3,152**

# The cost of insurance in & out of cities

**Urban areas are home to 25,000 residents or more while rural regions have fewer than 25,000.**

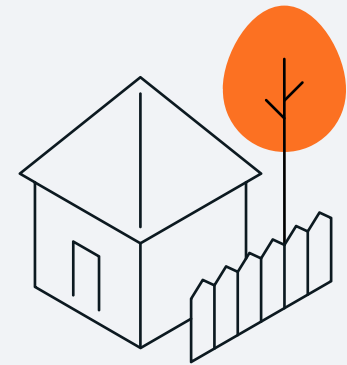
It's simple — more people, more cars, more uninsured drivers, more accidents, **more risk overall**. A higher density of vehicles and people in cities significantly increases the risk of fender-benders and theft.

This heightened risk means that insuring a vehicle in an urban area is more expensive than insuring that same vehicle in a rural one, even with an identical driver profile.



**Urban**

**\$1,534**



**Non-Urban**

**\$1,405**

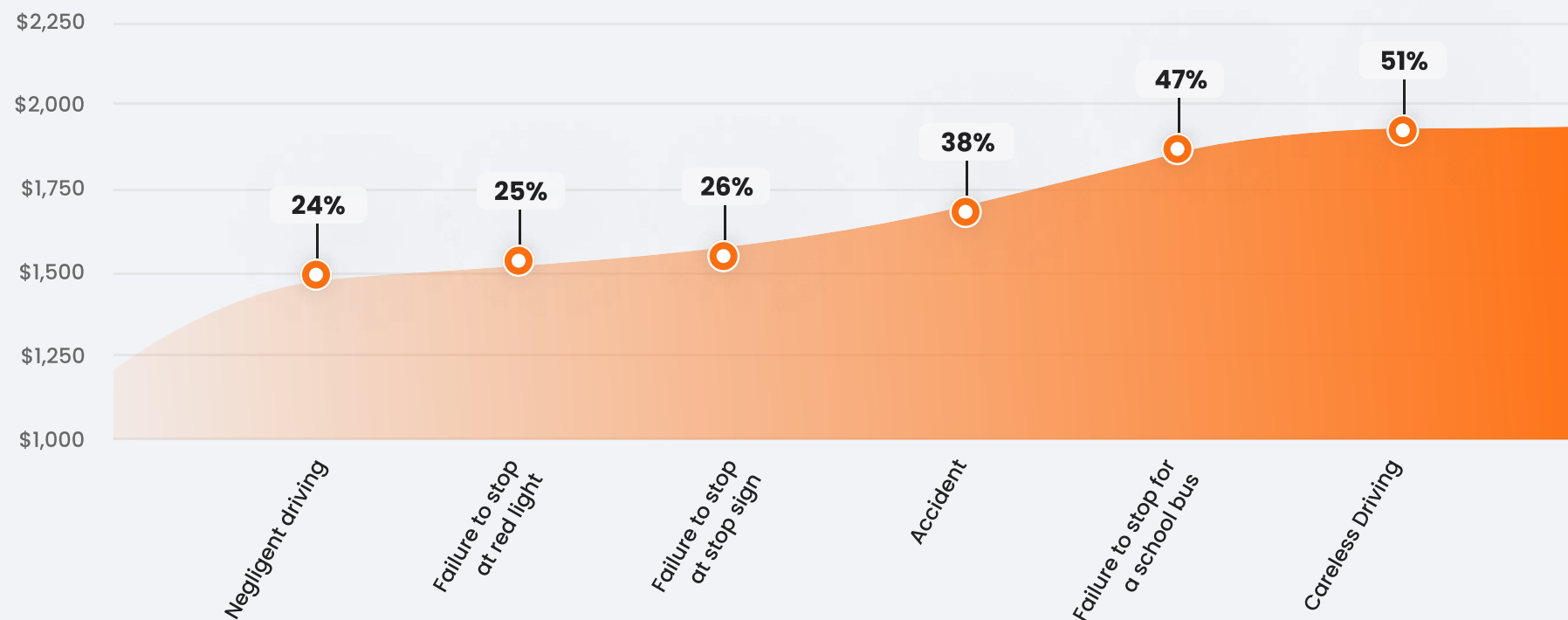


# Your driving record



# How much do driving violations impact insurance costs?

Having even a single traffic incident on record can hike up your premium by **32 percent** on average. Drivers with a tarnished driving history pay **\$1,589** on average for insurance, while car owners who have committed no offenses in the last seven years spend only **\$1,208** in comparison.



# How violation severity affects your insurance

## Minor Violations

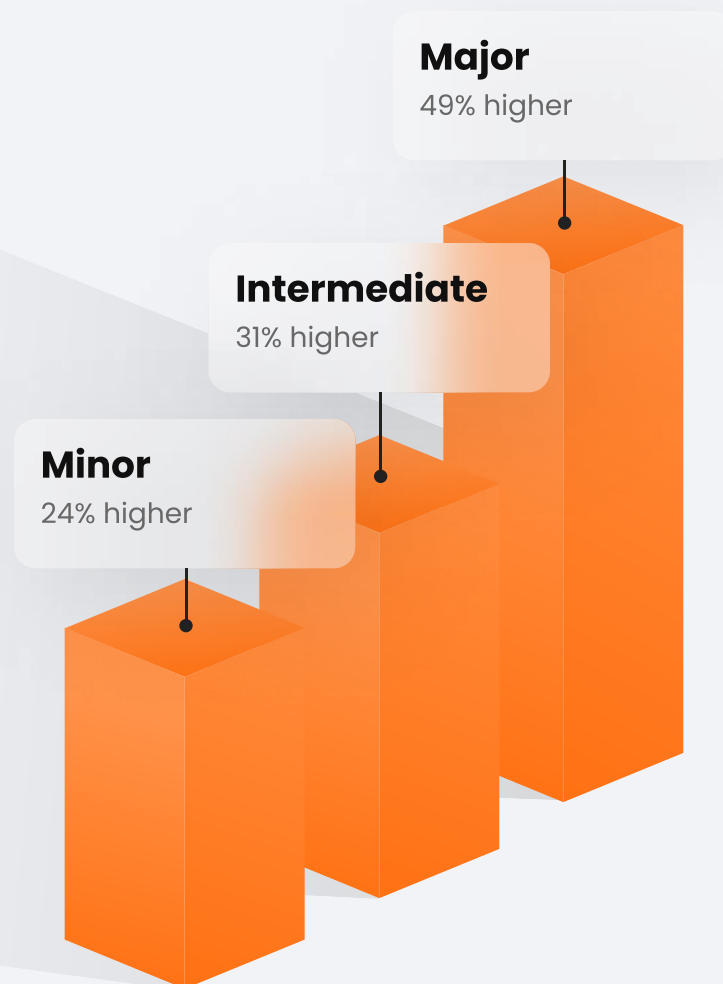
Minor penalties, including failure to yield, improper backing, and running a red light, increase rates by **24 percent**.

## Intermediate Violations

Violations with greater safety concerns, such as careless driving, negligence, and operating without insurance, raise premiums by **31 percent**.

## Major Violations

The most severe violations, such as driving under the influence, having speed contests on public roads, and reckless driving, have significant effects on insurance rates — just a single violation can raise premiums by **49 percent**.



# Aggressive driving: it comes at a cost

For the purposes of this report, a driver is considered **aggressive** if they have been charged with an infraction demonstrating wanton disregard for others on the road. These penalties include failure to yield and stop, tailgating, street racing, hit-and-runs, negligence, and reckless driving.

## Safe Drivers

**\$1,208**

Safe drivers have clean, violation-free records. Their diligence saves them an average of **\$271** in premium costs

## Aggressive Drivers

**\$1,564**

Aggressive drivers pay **20% more** for insurance than their safe counterparts.

### INSURIFY iNSiGHT

In Virginia, **49 out of 1,000 drivers** are considered aggressive—the highest rate of any state.

# License and insurance violations

Drivers with license violations pay **\$1,376** on average for insurance, representing a **7 percent** cost increase.

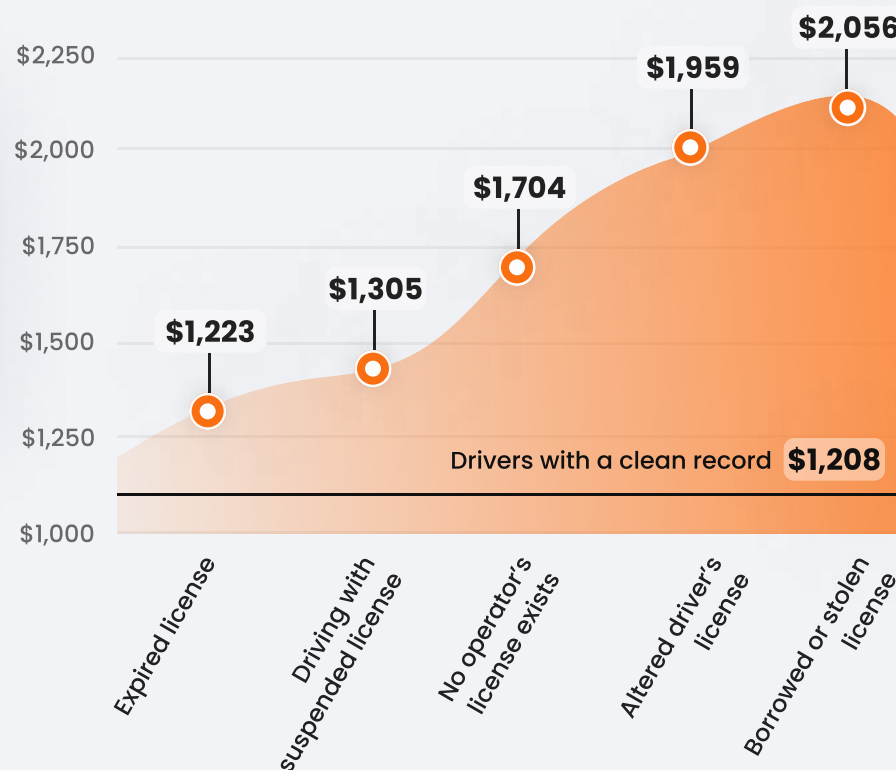
## INSURIFY iNSiGHT

While driving without insurance is not a major offense, it can still cost a pretty penny.

Motorists caught driving uninsured tend to pay an extra **\$669** on average, due to lost prior insurance discounts, fines for driving uninsured, and DMV reinstatement fees.

Average premium for drivers with a clean record:

**\$1,208**



# Your vehicle

# What does it cost to insure different types of vehicles?

**Domestic vehicles** (made in the U.S.) tend to cost less to insure than **foreign vehicles** (made outside of the U.S.). This may be partially due to the fact that it's more expensive to source replacement parts overseas.

**Sedan**  
**\$1,558**



**SUV**  
**\$1,369**



**Truck**  
**\$1,297**



**Cargo Van**  
**\$1,061**



**Minivan**  
**\$1,097**



**Coupe**  
**\$1,640**



**Hatchback**  
**\$1,435**



**Speciality**  
**\$1,692**



**Convertible**  
**\$1,536**



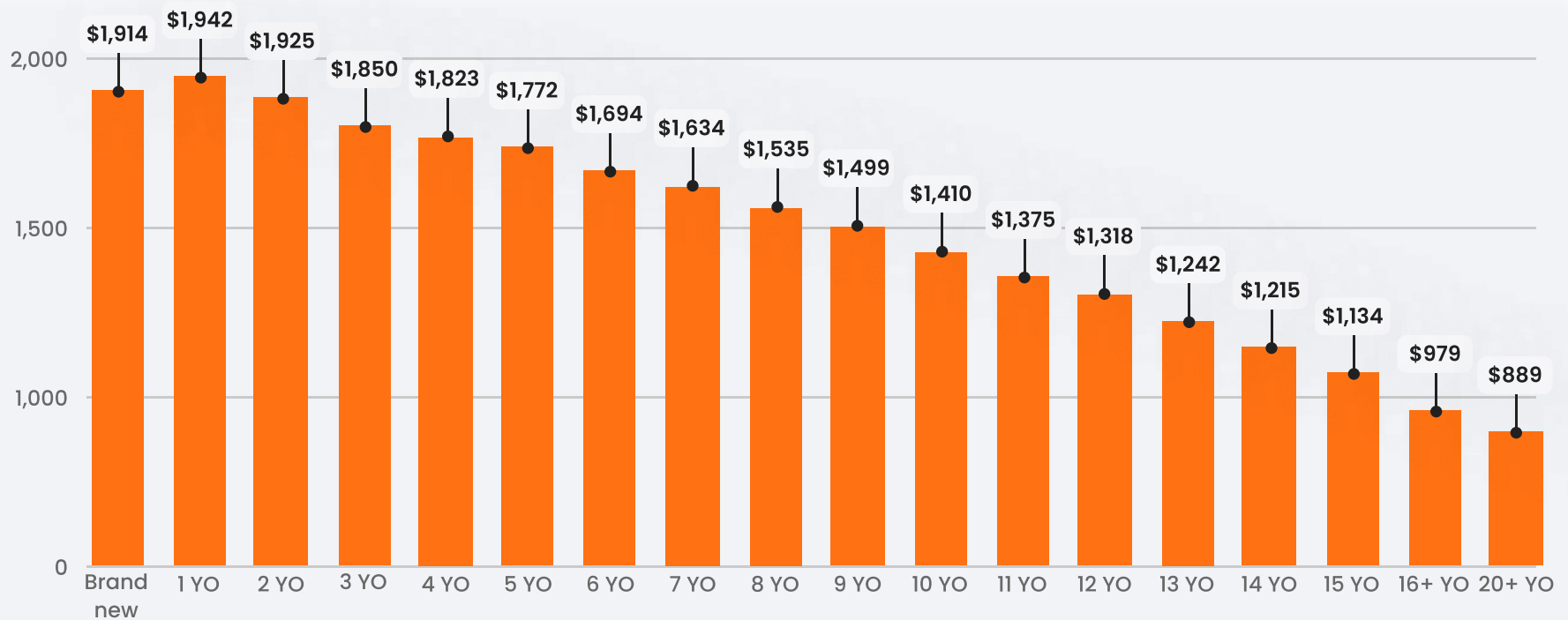
# The impact of a car's age on rates

Average age of a car in the US\*

11.8 years

Cars usually become less expensive to insure as they age.

As newer models are built with more and more intricate technology, they become more costly to replace.



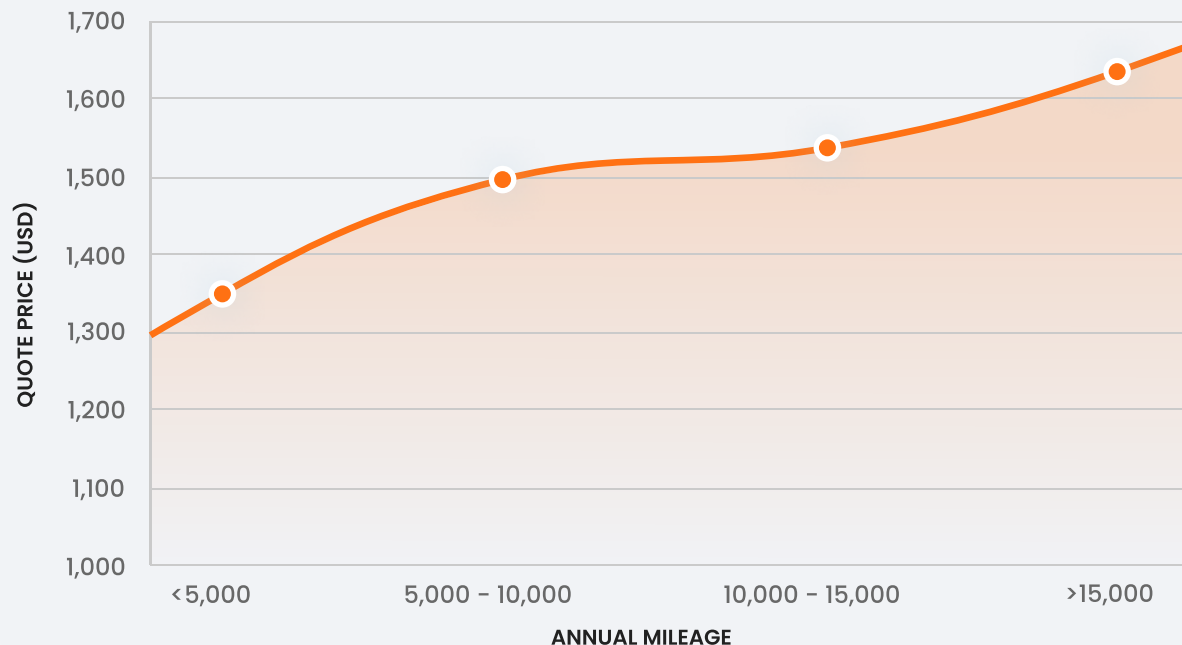
\* according to Bureau of Transportation Statistics

# Your car's policy price is affected by *why* and *how far* you drive it

**The more you drive, the more vulnerable you are to getting in an accident.** That's why rates tend to increase the more rubber you burn.

*Barely driving at all? Telematics-based or pay-per-mile insurance will reward your low mileage with cheaper policies.*

Quote price by annual mileage



Quote price by primary usage of car



**Pleasure**

**\$1,303**



**Personal**

**\$1,656**



# Insuring the 10 most popular cars

**Midsized sedans** continue to dominate the vehicle market in the U.S. However, the most popular models vary significantly by region. The **Nissan Altima** is the most popular in the South and Southwest; **Honda** takes the lead with the **Accord** on the East Coast and the **Civic** on the West; and drivers in the Midwest tend to prefer **Chevrolets**—either **Impalas** or **Malibus**.

## INSURIFY iNSiGHT

Honda is the most commonly-owned car make in the U.S.

1. **Nissan Altima**  
**\$1,652**



2. **Honda Accord**  
**\$1,451**



3. **Chevy Malibu**  
**\$1,617**



4. **Honda Civic**  
**\$1,527**



5. **Chevrolet Impala**  
**\$1,368**



6. **Ford Focus**  
**\$1,479**



7. **Toyota Corolla**  
**\$1,593**



8. **Ford Explorer**  
**\$1,239**



9. **Subaru Impreza**  
**\$1,364**



10. **Toyota RAV4**  
**\$1,376**



\*"Popular" means most commonly owned.

# Insuring the 10 most popular trucks

## Does it get more American than a flatbed Ford?

Apparently not. Ford has dominated the pickup field for decades.

### iNSURiFY iNSiGHT

Ford is the most commonly-owned truck make in the U.S.

1. **Ford F-series**  
**\$1,527**



2. **Chevy Silverado**  
**\$1,556**



3. **Dodge RAM 1500**  
**\$1,407**



4. **Ford Ranger**  
**\$1,194**



5. **GMC Sierra**  
**\$1,502**



6. **Toyota Tacoma**  
**\$1,547**



7. **Toyota Tundra**  
**\$1,721**



8. **Nissan Frontier**  
**\$1,519**



9. **Chevy Colorado**  
**\$1,526**



10. **Dodge RAM 2500**  
**\$1,476**



\*"Popular" means most commonly owned.

# The 10 Most Expensive Vehicles to Insure

It'll probably come as no surprise that the most expensive vehicles to insure are **luxury cars**.

1. **Maserati Ghibli**  
**\$3,705**



2. **Maserati Granturismo**  
**\$3,162**



3. **BMW M4**  
**\$3,125**



4. **Alfa Romeo Giulia**  
**\$3,013**



5. **Mercedes-Benz A-Class**  
**\$2,894**



6. **Tesla Model S**  
**\$2,835**



7. **Toyota 86**  
**\$2,778**



8. **BMW 235i**  
**\$2,735**



9. **Maserati Quattroporte**  
**\$2,683**



10. **Nissan GT-R**  
**\$2,601**



# The 10 Cheapest Vehicles to Insure

Older, less flashy models generally cost less to insure.

**Your insurance policy isn't the only cost.** Repairs and maintenance tend to be more expensive with older cars like these.

1. **Ford Aerostar**  
**\$647**



2. **Plymouth Breeze**  
**\$658**



3. **Mercury Tracer**  
**\$664**



4. **Oldsmobile Ciera**  
**\$676**



5. **Plymouth Grand Voyager**  
**\$691**



6. **Chevy Metro**  
**\$700**



7. **Oldsmobile Cutlass Ciera**  
**\$702**



8. **Buick Riviera**  
**\$703**



9. **Chevy G20**  
**\$722**



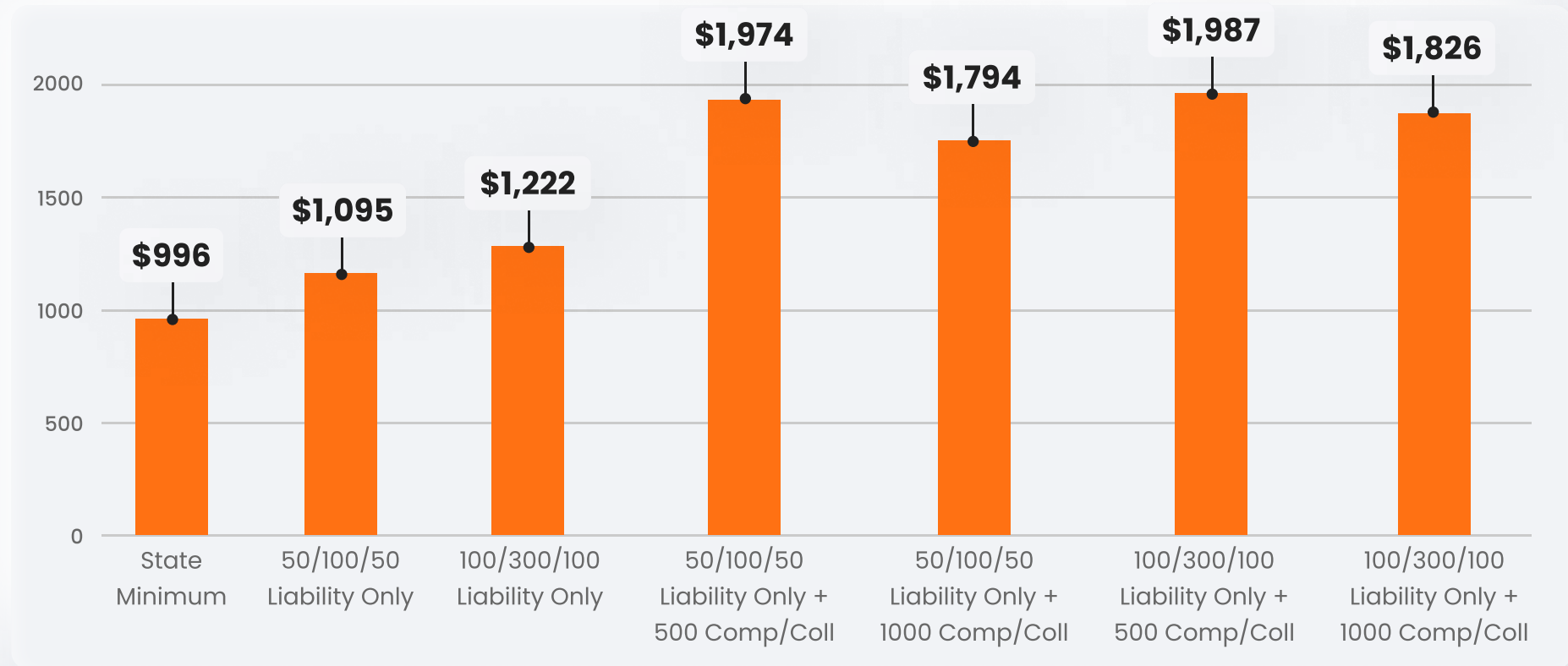
10. **Mercury Villager**  
**\$726**



# Your coverage

# Lower rates mean less coverage in the event of an accident

**Financial protection comes with a higher price tag.** So while full coverage policies cost more than state minimum policies, they protect you from paying more out of pocket in the event of an accident.





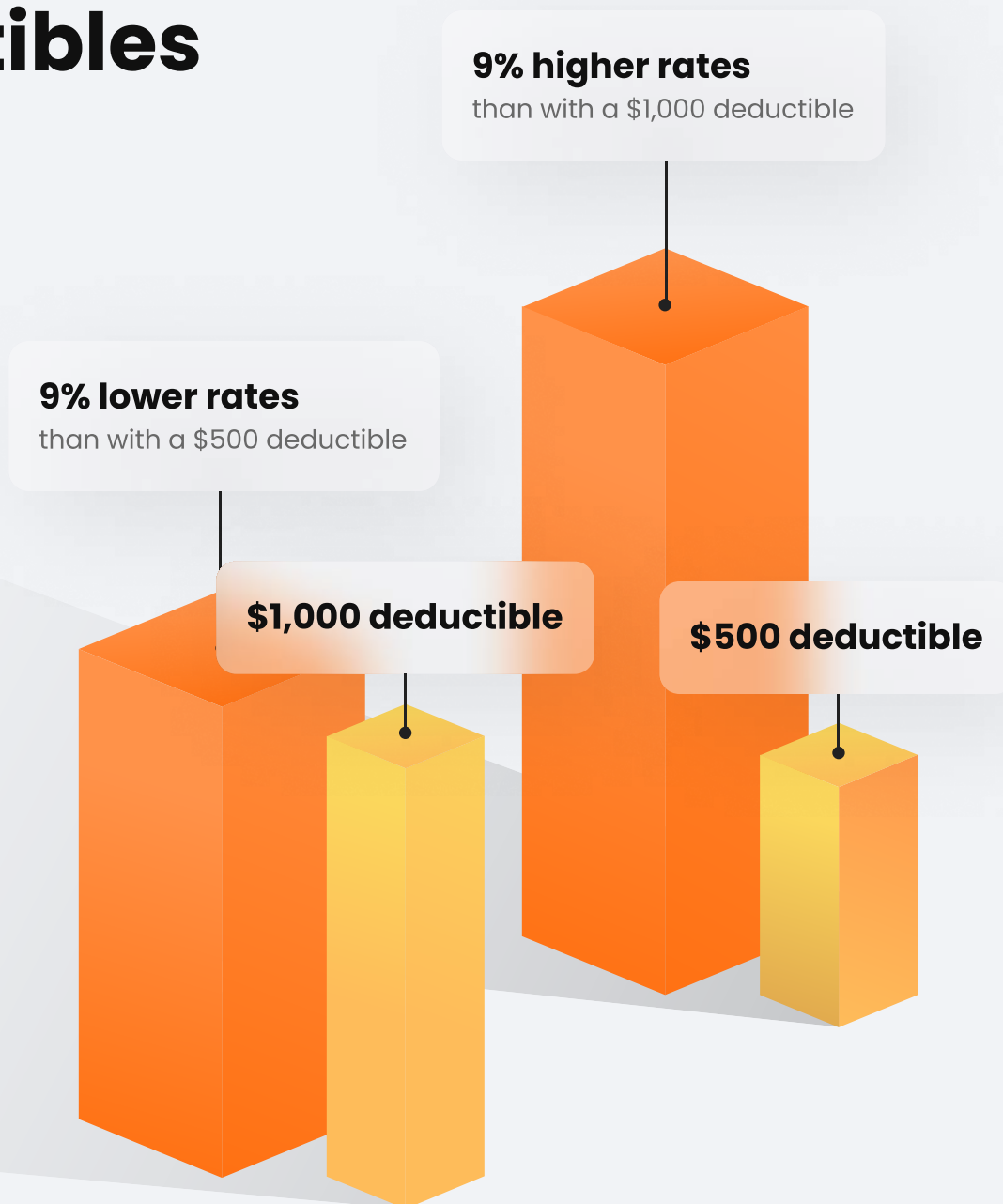
# Will raising deductibles lower rates?

Your **deductible**, which is the amount you have to pay **before insurance kicks in**, inversely impacts your insurance premium.

**Increasing** your deductible is one way to **lower** your monthly premium. But remember: you must be able to pay your deductible in the event of an accident.

## INSURIFY INSIGHT

If you haven't filed any claims over \$500 in the last 3 years and you have at least \$1,000 saved for car emergencies, opting for a \$1,000 deductible can save you **\$500** in three years.



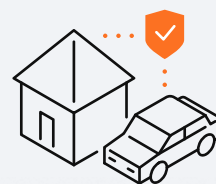
# Discounts



# Auto insurance discounts and savings

Discounts on your auto insurance are usually granted for anything that makes you a lower risk to insure, like having **low mileage** or maintaining a **clean driving record**.

Depending on your insurance provider, discounts can decrease your premium by anywhere from **5 to 25 percent**. Some providers even offer discounts of up to 45 percent. That's nearly **half your total premium**.



**Bundle Home**

**\$1,340 6.4%**



**Senior driver  
safety training**

**\$1,342 6.2%**



**Military**

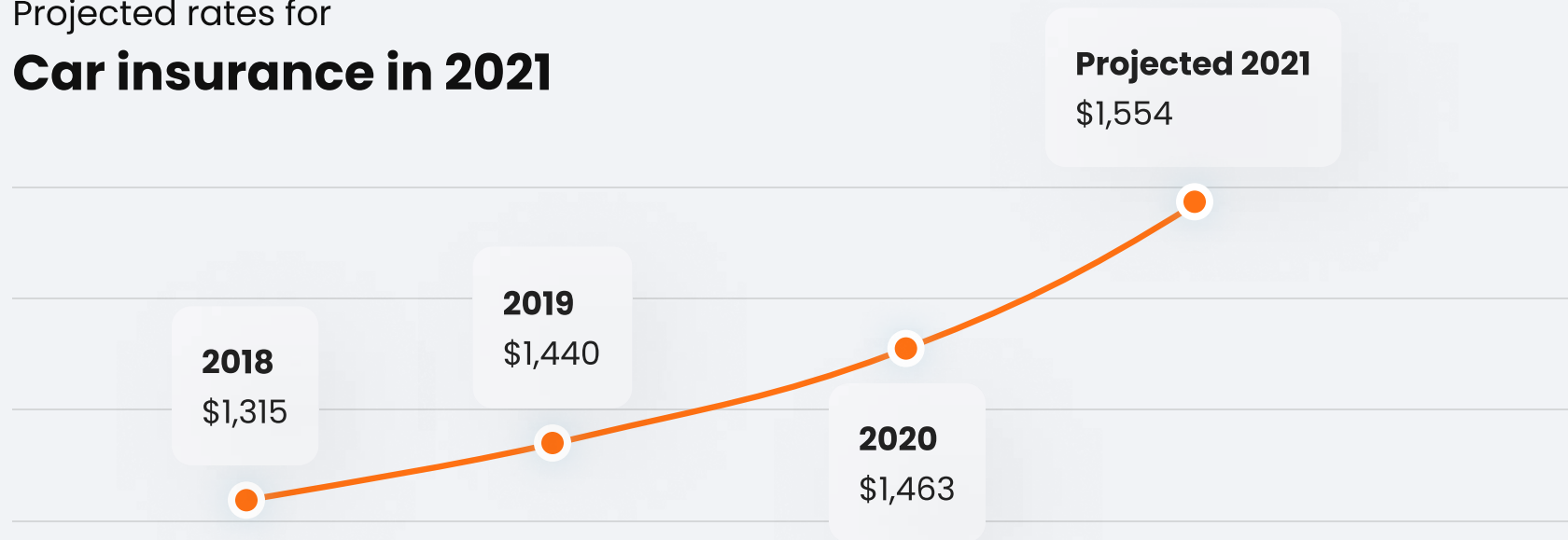
**\$1,340 6.4%**

# **A look ahead to 2021**

# The projected cost of auto insurance in 2021

Unless decreased driving rates persist and car insurance providers lower rates in response to this reduced risk of a claim, insurance costs are expected to rise **six percent** in 2021.

## Projected rates for Car insurance in 2021



# Methodology

The analytics team at Insurify examined over 25 million rates from the car insurance applications in its proprietary database over the past year.

Applications originate from all 50 states and Washington, D.C., and contain information on car owners' vehicles, driving history dating back seven years, and demographic information.

The premiums recorded on Insurify's comparison platform are driven directly by underwriting and rating software.