

2022 Auto Insurance Trends Report

Part I: Who's Paying More for Coverage

About this report

Inflation, interest rate increases, and soaring gas prices all hurt the wallets of American drivers in 2022. Prices for new and used cars rose more than 10% in August, compared to the year before, according to Kelley Blue Book. Sept. 21, 2022, also saw the fifth-straight increase to the federal funds rate, bringing it above 3% — the highest it's been since 2008. At the start of 2022, the average interest rate on a 60-month new car loan was 3.85%, but with the recent federal rate increase, car loan interest rates could rise to closer to 5.75% by CNBC estimates.

Insurify's 2022 Auto Insurance Trends Report: Who's Paying More for Coverage is the first part of a two-part report that comprehensively covers 2022's unique car insurance landscape. To identify the most relevant trends of the past year, we reviewed more than 40 million quotes served to consumers who used Insurify to comparison-shop for auto insurance in 2022. This first report details who is paying more for car insurance in 2022, surveys drivers on how they're managing rising vehicle costs, and provides drivers with expert advice on how they can save.

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About Insurify

Insurify is America's top-rated destination for the largest selection of accurate insurance quotes and expert advice, and it operates as a licensed insurance agent appointed in all 50 states. Featuring direct integrations with all top insurance companies, Insurify offers a personalized, real-time comparison and buying experience for auto, home, and life insurance policies.

More than 11 million policyholders have used Insurify since 2017. Insurify's insurance experts and data scientists are also valued source of consumer education, delivering data-driven insights and fresh perspectives on statistics and general trends throughout the insurance industry.

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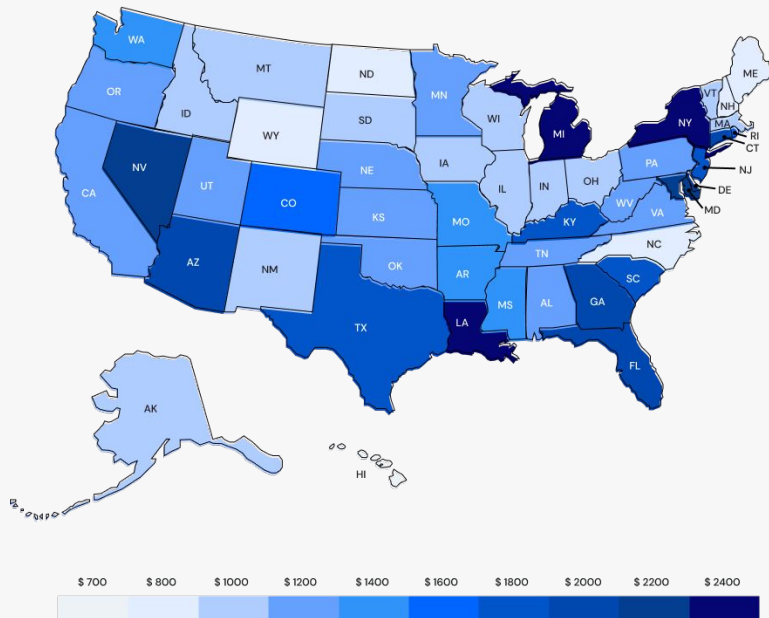
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- Where are drivers
paying more
for car insurance?

2022 rates by state

The cost of insurance is not uniform across the nation. Factors such as **weather patterns**, **crime rates**, and **population density** contribute to regional variation in car insurance rates, according to the Insurance Information Institute. State-level legislation further affects regional costs by deciding which driver attributes insurers can use to set rates and how much minimum coverage drivers must buy. All premiums are based on Insurify customer data.

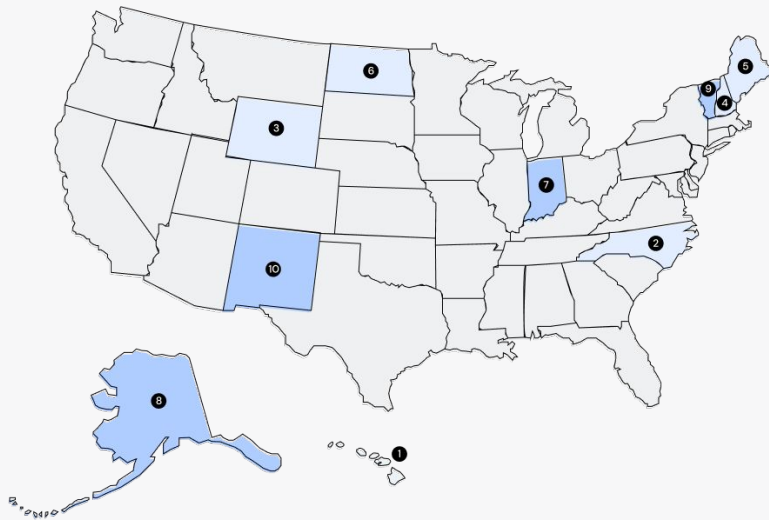
Average yearly car insurance premium by state in 2022



The 10 states with the cheapest auto insurance

In 2022, drivers in Hawaii are paying **55% less** for car insurance than the average American driver, who spends **\$1,705** per year for coverage. Drivers in Hawaii pay just **\$762** on average, amounting to **savings of \$943** per year.

The 10 states where drivers pay the least for car insurance in 2022



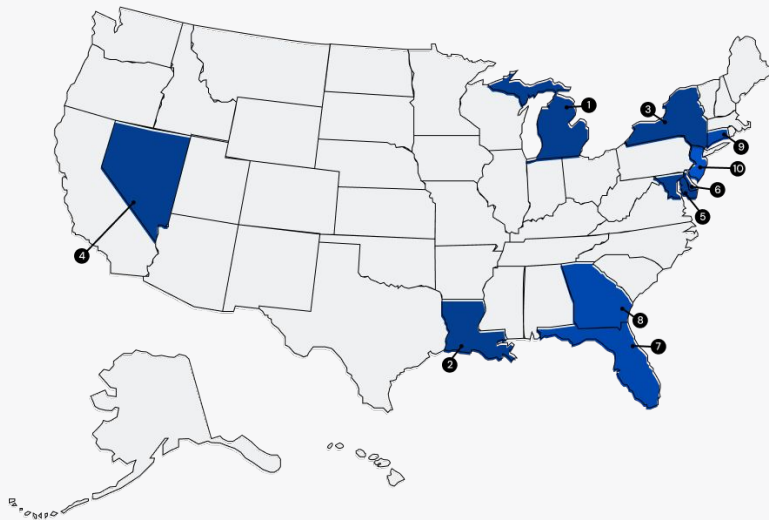
Average yearly car insurance premium

| | | | |
|------------------|-------|----------------|---------|
| ① Hawaii | \$762 | ⑥ North Dakota | \$994 |
| ② North Carolina | \$936 | ⑦ Indiana | \$1,001 |
| ③ Wyoming | \$943 | ⑧ Alaska | \$1,023 |
| ④ New Hampshire | \$979 | ⑨ Vermont | \$1,023 |
| ⑤ Maine | \$994 | ⑩ New Mexico | \$1,030 |

The 10 states with the most expensive auto insurance

Michigan drivers spend a whopping **\$2,510** per year on car insurance, more than drivers in any other state. In fact, they pay **\$1,748 more** per year than drivers in Hawaii, the cheapest state for car insurance.

The 10 states where drivers pay the most for car insurance in 2022



Average yearly car insurance premium

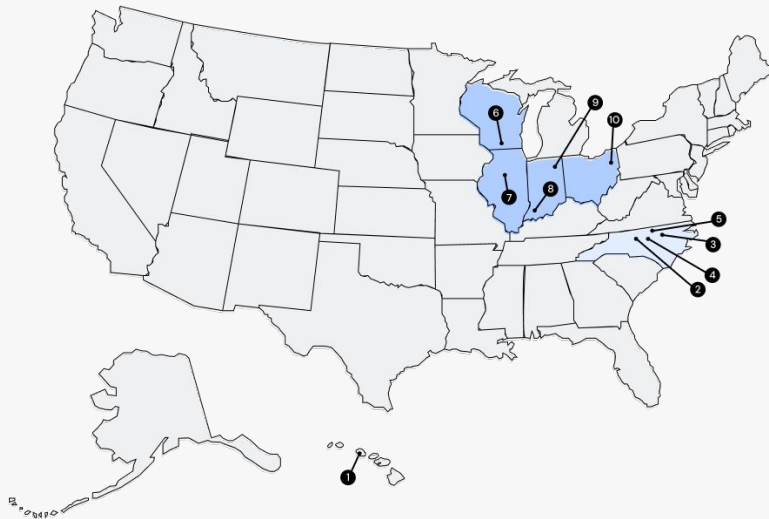
| | | | |
|-------------|---------|---------------|---------|
| ① Michigan | \$2,510 | ⑥ Delaware | \$2,336 |
| ② Louisiana | \$2,438 | ⑦ Florida | \$2,031 |
| ③ New York | \$2,423 | ⑧ Georgia | \$2,031 |
| ④ Nevada | \$2,380 | ⑨ Connecticut | \$2,002 |
| ⑤ Maryland | \$2,343 | ⑩ New Jersey | \$1,995 |

The 10 cities with the cheapest auto insurance

Location significantly affects car insurance prices. Regional factors like mild weather, lenient local regulations, and minimal traffic congestion often lead to cheaper auto insurance rates.

Lower citywide rates of vehicle theft and vandalism can also drive down premium costs.

The 10 cities where drivers pay the least car insurance in 2022



Average yearly car insurance premium

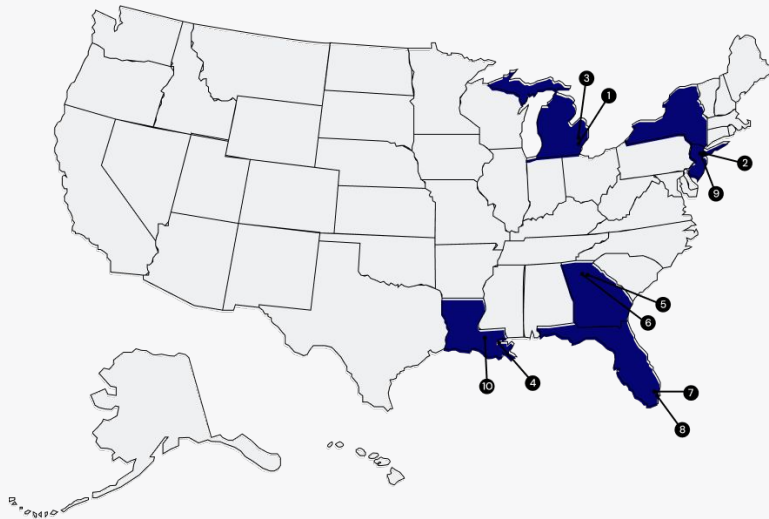
| | | | |
|---------------------|-------|------------------|---------|
| ① Honolulu, HI | \$768 | ⑥ Madison, WI | \$1,023 |
| ② Winston-Salem, NC | \$820 | ⑦ Peoria, IL | \$1,052 |
| ③ Raleigh, NC | \$929 | ⑧ Evansville, IN | \$1,052 |
| ④ Greensboro, NC | \$950 | ⑨ Fort Wayne, IN | \$1,052 |
| ⑤ Durham, NC | \$972 | ⑩ Youngstown, OH | \$1,067 |

The top 10 cities with the most expensive car insurance

Location-based factors that hike up auto insurance rates include frequent traffic congestion, extreme weather, and high crime rates. No-fault insurance laws and personal injury protection (PIP) requirements can also contribute to heightened premiums for drivers in affected cities.

Statewide PIP requirements and elevated crime rates could be behind high insurance rates in Detroit, MI, where drivers pay **169% more** for car insurance than the average American motorist.

The 10 cities where drivers pay the most for car insurance in 2022



Average yearly car insurance premium

| | | | | | |
|---|-----------------|---------|---|-----------------|---------|
| ① | Detroit, MI | \$4,593 | ⑥ | Decatur, GA | \$3,018 |
| ② | New York, NY | \$3,657 | ⑦ | Hialeah, FL | \$2,931 |
| ③ | Warren, MI | \$3,236 | ⑧ | Miami, FL | \$2,931 |
| ④ | New Orleans, LA | \$3,098 | ⑨ | Newark, NJ | \$2,917 |
| ⑤ | Lithonia, GA | \$3,098 | ⑩ | Baton Rouge, LA | \$2,837 |

City drivers pay more for coverage

With more people and vehicles packed into an area, the likelihood of accidents and encountering uninsured drivers increases. That's why city drivers tend to pay more for car insurance than those in rural areas.

When setting rates, insurers account for the **increased risk** associated with high population density. Insuring a car in a highly populated urban area requires drivers to spend an average of **15% more** than they would if they insured the exact same car in a rural area.

Average yearly car insurance premium by city population size (2022)



Population
2.5k–25k
\$1,516



Population
25k–50k
\$1,589



Population
50k+
\$1,749

Which vehicles
are most expensive to insure?

A hand-drawn blue underline consisting of two parallel lines. Above the word 'vehicles', there are three short, hand-drawn blue lines radiating outwards to the right.

The 5 most expensive vehicles to insure

Luxury cars are some of the most expensive vehicles to insure because of their high starting value and pricey repair costs. Tesla Model 3 drivers pay **\$3,040** per year on average for coverage.

Average yearly car insurance premiums for the
5 most expensive vehicles to insure

#1



Infiniti Q5

\$3,149

#2



Tesla Model 3

\$3,040

#3



Kia K5

\$2,917

#4



Dodge
Charger

\$2,859

#5



Mercedes-Benz
CLA-Class

\$2,830

The 5 cheapest vehicles to insure

The cheapest car models to insure skew older and more durable because each vehicle's overall value is less and they're cheaper to repair or replace in the event of an accident.

Average yearly car insurance premiums for the
5 cheapest vehicles to insure

#1



Chrysler
Town & Country
\$1,306

#2



Subaru
Outback
\$1,329

#3



Subaru
Forester
\$1,357

#4



Dodge
Grand Caravan
\$1,379

#5



Chevrolet
Captiva
\$1,379

Insuring 2022's 10 most popular cars

Average yearly car insurance premiums for the 10 most commonly owned vehicles in 2022

Midsize sedans are the most commonly owned vehicle among American drivers, making up **8 of the 10** most popular car models in the nation, according to Insurify data. Pickup trucks have broad appeal, too, headlined by the Ford F-Series line.

Insurify Insight

In 2022, about **1 in 32** Americans drives a Honda Accord, making it the most popular car in the country.

#1



Honda
Accord
\$2,061

#2



Ford
F-Series Pickup
\$1,734

#3



Honda
Civic
\$2,126

#4



Toyota
Camry
\$2,017

#5



Nissan
Altima
\$2,177

#6



Toyota
Corolla
\$2,126

#7



Chevrolet
Silverado
\$1,821

#8



Chevrolet
Malibu
\$2,046

#9



Ford
Fusion
\$2,017

#10



Hyundai
Sonata
\$2,061

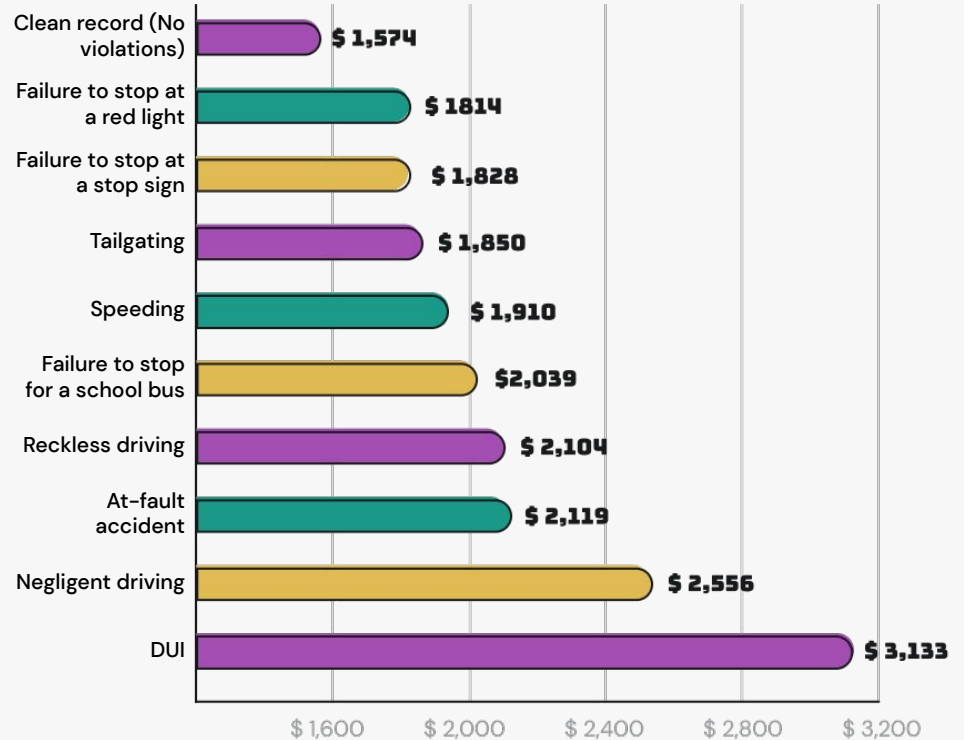
Which driving habits 
increase insurance costs?

Racking up citations increases rates

Having just one traffic violation on your record can increase your insurance premium by an average of **34%**.

Vehicle owners with a citation-free record for the past three to seven years pay an average premium of **\$1,574** per year, while drivers with a recent history of traffic incidents spend an average of **\$2,116** annually. Shown in the chart are the average annual car insurance premiums for drivers with at least one of the listed traffic violations on record.

Average yearly car insurance premium by traffic citation record (2022)



Aggressive drivers pay the price

What is aggressive driving?

Insurify data scientists defined aggressive driving as having one or more of the following traffic infractions on record:

- **Speeding** (exceeding the posted speed limit, driving too fast for conditions)
- **Failure-to-stop violations** (failure to stop for a red light, school bus, or stop sign)
- **Failure-to-yield violations** (failure to yield the right of way, failure to yield to a pedestrian)
- **Reckless driving**
- **Passing where prohibited**
- **Tailgating**

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Safe Drivers

\$1,574

**Average yearly insurance
premium (2022)**

Motorists with clean driving records save an average of **\$487** per year on car insurance compared to their more aggressive peers.

Aggressive Drivers

\$2,061

**Average yearly insurance
premium (2022)**

On average, aggressive drivers pay **31%** more for car insurance than drivers with a clean record. Insurance providers view drivers with a history of traffic violations as more likely to reoffend and file a claim.

Insurify Insight

Over **14%** of drivers in **Ohio** have at least one aggressive driving violation on record, the highest share of any state in the country.



Which drivers
pay the most for insurance?

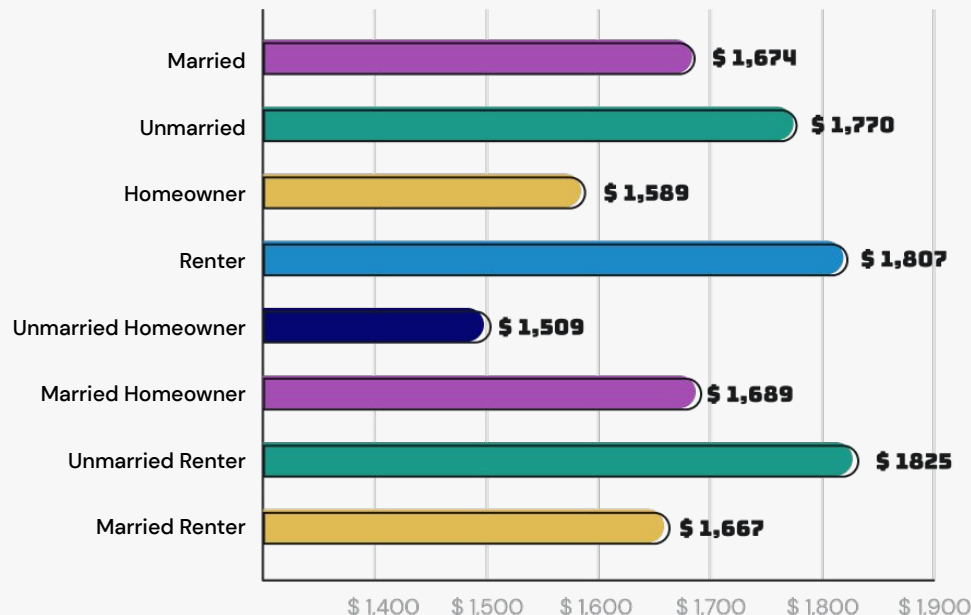


Married drivers and homeowners pay less for car insurance

One of the unsung perks of marriage is actually cheaper car insurance. On average, married drivers see **5% lower** rates across the board than unmarried drivers.

Though it is not typically a rating factor, homeownership status can also affect what a driver pays for auto insurance. Unmarried homeowners pay about **17% less** for car insurance than unmarried drivers who rent their homes. Many homeowners have lower rates in part because they can take advantage of policy-bundling discounts.

Average yearly car insurance premium by marital and homeowner status (2022)



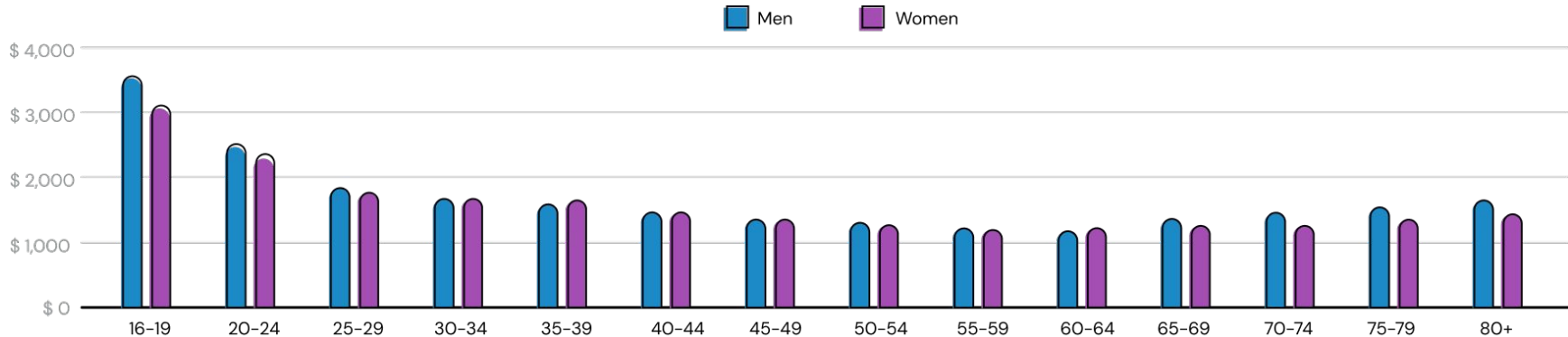
How age and gender affect premiums

Age and gender affect what a driver pays for car insurance. On average, women pay **7% less** in premiums per year than male policyholders.

Teenage drivers tend to see the highest rates due to their relative lack of experience behind the wheel. In fact, teenage boys pay an astounding average of **\$3,403** per year in premiums.

Several states have prohibited the use of gender as a factor when writing insurance policies. As of 2022, providers in California, Hawaii, Massachusetts, Michigan, North Carolina, and Pennsylvania do not consider a driver's gender when pricing car insurance rates, according to Investopedia.

Average yearly car insurance premium by age and gender (2022)

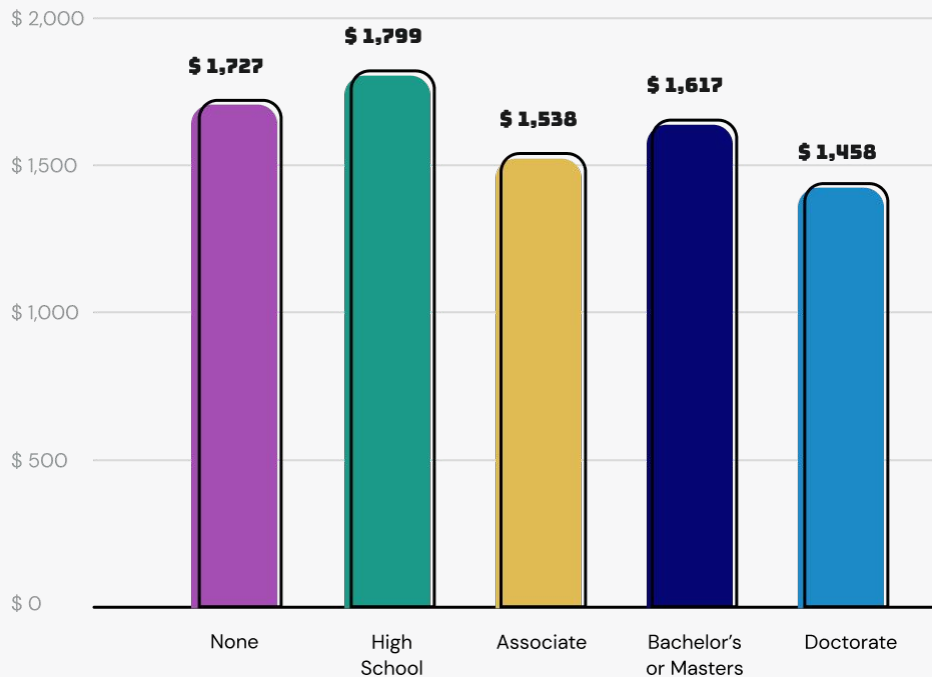


Highest degree earned can influence coverage costs

In most states, a driver's education level influences their car insurance premium. Drivers with only a high school diploma pay the highest insurance costs on average, while those with a doctorate pay **19% less** than drivers with no degree.

However, education level alone does not perfectly explain a driver's insurance rate. Insurers typically find that more educated drivers take fewer risks on the road. But one possible complicating factor is that Americans who earn higher degrees also have higher incomes on average, according to the National Center for Education Statistics, and they might subsequently own more expensive cars that are pricier to insure.

Average yearly car insurance premium by highest degree earned (2022)



Credit Score

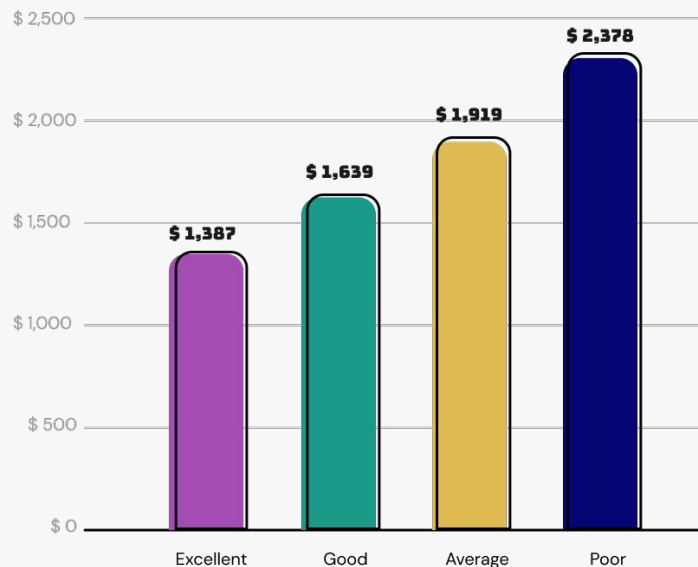
In most states, a driver's credit score will significantly influence their auto insurance costs unless they purchase from a no-credit-check insurer.

Drivers with an "excellent" credit score pay the least for insurance, averaging **\$1,387** per year. Meanwhile, drivers with "poor" credit pay more than **twice** that amount.

Insurify considers "excellent" credit scores to be 720 and above. "Poor" scores are less than 580.

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Average yearly car insurance premium by credit score (2022)



Insurify Insight

Insurance companies are not allowed to use credit scores to determine insurance rates in several states, including **California, Hawaii, Maryland, and Massachusetts**, according to the National Conference of State Legislatures.



**How are drivers
trying to save?**

Insurify survey: How do Americans think they can save on vehicle expenses?

Responses come from an Insurify survey of more than 1,200 drivers in July 2022.

How drivers are trying to save on vehicle costs — including insurance, fuel, and maintenance expenses — in 2022



65%

of drivers are considering driving less



30%

of drivers are thinking about purchasing a hybrid or electric vehicle



30%

of drivers are thinking of switching to a different insurance provider



16%

of drivers are considering moving to a different location with better public transportation and walkability



10%

of drivers are considering dropping their insurance coverage altogether*



Expert advice

on how to save and what to know

Compare car insurance policies

In the current economic climate, it's hard to anticipate which companies will increase their rates and when. We encourage drivers to compare quotes from at least **four to five companies** before picking a policy. With inflation levels so high this year, drivers can also compare quotes **every six months** or so to ensure their current policy and premium are best for their needs. Keep in mind some insurers may offer lower premiums to customers who've been with one company for more than a year.

4-5

Companies

How many options Insurify recommends drivers compare before picking a policy

6

Months

How often Insurify recommends drivers explore new auto insurance policies. Keep in mind some insurers may offer lower premiums to customers who've been with one company for more than a year.

Explore insurance discounts and savings

Drivers can earn discounts on their insurance rate if they qualify for one or more low-risk behaviors, including being a member of AAA or taking a senior driving safety course.

A single discount can **lower car insurance premiums by up to 15%**, amounting to yearly savings of **\$258** for the average driver.

One-third of drivers are not taking advantage of any discounts, including **16%** that don't take advantage even if they know they qualify for one or more. Finding a policy with one or more discounts can be an easy way for drivers to save on car insurance.

Average yearly car insurance premium by discount earned (2022)



Premium for drivers
w/o discount

\$1,705



AAA member
discount

\$1,631



Bundle home
& auto discount

\$1,557



Married discount

\$1,668



Military discount

\$1,668



Senior training discount

\$1,445

Know the basic facts of auto insurance

Drivers can also find ways to save by better understanding their insurance policy and making sure they're only paying for the coverage that they truly want.

A basic car insurance policy encompasses three different types of required coverage: bodily injury liability per person, bodily injury liability per accident, and property damage liability per accident.

The figures for each category will vary by policy and denote how much money your insurance provider will pay to cover injury and property damage expenses, respectively, in the event of a car accident.

In exchange for insurance, drivers pay their insurer an up-front or monthly flat rate known as a **premium**, regardless of whether an accident occurs or not. If you do get into a scrape, you may also have to pay a **deductible** — a certain dollar amount that you agree to pay out of pocket before insurance coverage kicks in.

Drivers should make sure their coverage level suits their financial circumstance. The average claim for bodily injury after a collision was **\$20,235** in 2020, and the average claim for property damage was **\$4,711**, according to the Insurance Information Institute.

\$50K

Bodily injury liability
Per person

\$100K

Bodily injury liability
Per accident

\$50K

Property damage liability
Per accident

How much coverage should you purchase?

Nearly every driver needs liability coverage.

It's mandatory in all states except New Hampshire (and even New Hampshire drivers must provide "proof of sufficient funds" to cover a potential crash). 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 before you can legally get behind the wheel.

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If you want coverage for yourself, your property, and your passengers, you'll need these additional coverage types:

Collision coverage: This covers damages your car sustains if it collides with another vehicle or object.

Comprehensive coverage: This covers damages your car sustains in any accident that isn't a collision, including damage caused by vandalism, theft, and weather conditions.

"Full-coverage" car insurance is a term insurers often use. A full-coverage policy is typically the most extensive type you can buy, usually including liability insurance, collision coverage, and comprehensive coverage.

Some car insurance policies also include optional add-on coverage, like **personal injury protection, medical payments coverage, or uninsured or underinsured motorist coverage.**

You can learn more about these optional types of coverage by contacting either your local or an Insurify agent or by visiting Insurify's blog.

Which factors determine your auto insurance rate, and why?

Location

Car insurance companies use your location to calculate your premium, from the state level down to your ZIP code. Insurers tend to set less expensive rates for drivers in locations where fewer claims are filed. Some states have outlawed location as a permissible factor in determining premiums.

Driving Record

Drivers with clean driving histories are much less likely to file future claims. As such, they pay less in premiums than those with records marred by accidents and speeding tickets.

Vehicle

A used Ford pickup, a certified pre-owned Toyota, and a brand-new Tesla Model Y each command different insurance payments thanks to the varying age and quality of their car parts. Generally, older cars with easily replaceable parts are cheaper to insure than newer cars or luxury models.

Who You Are

Women, married couples, and people between the ages of 25 and 65 often pay slightly lower rates in states where these rating factors apply. That's because these demographic groups are statistically less likely to file insurance claims. In many locations, credit score is also used to determine premium prices — drivers with higher credit scores often pay less for insurance.

Coverage

It's common sense: the more coverage you purchase, the more expensive your premium will be. A full-coverage policy almost always costs drivers more than a state minimum plan.

Discounts

The more discounts, the better! A seemingly expensive policy could be a lot more affordable if you're eligible for the right discounts. These options include usage-based policies and purchasing a new policy before your current one expires. Deductions can also apply to certain groups of drivers, like teachers or first responders, or certain features of your vehicle (like having an anti-theft system).

Methodology

To create *Insurify's 2022 Auto Insurance Trends Report*, the research team at Insurify examined more than **40 million rates** from car insurance applications in its proprietary database over the past year.

Insurify driver applications originate from **all 50 states and Washington, D.C.**, and include information on the car owner's vehicle, their driving history dating back seven years, and their demographic information.

The premiums recorded on Insurify's comparison platform are quoted via integrations with insurance companies. Average premium costs by location, driving history, or demographic subset reflect all premiums that insurance companies quoted to drivers within that subset.



The data on drivers' experiences and consumer behavior reported on page 23 is derived from a survey of **1,200 participants** in July 2022.

All statistics and percentages in this report are based on Insurify customer data and surveys unless otherwise stated.

Data Attribution

The insights, statistics, data visualizations, and more from this report are free to use; we simply ask that you attribute any full or partial use to Insurify with a link to <https://insurify.com/report/auto-insurance/october-2022/>

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