

# 2022 Auto Insurance Trends Report

Part II: 2022 in review and what's ahead for 2023

# About this report

*Insurify's 2022 Auto Insurance Trends Report: 2022 in review and what's ahead for 2023*, the final installment of a two-part report, examines car insurance in 2022 and projects what consumers could face in 2023.

To identify the most relevant trends of the past year and forecast 2023 rates, we reviewed more than **69 million quotes** served to consumers who used Insurify to comparison-shop for auto insurance.

This second report forecasts insurance prices for 2023, details where costs rose the most in 2022, and surveys drivers on how their rates are changing and how they're trying to save.

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## About Insurify

Insurify is America's top-rated virtual insurance agent. It provides expert advice on insurance-related topics and empowers customers to securely compare, buy, and manage their auto, home, and life insurance policies from the largest selection of accurate quotes.

Insurify has offered more than 69 million quotes to drivers. Insurify's insurance experts and data scientists also provide consumers with data-driven insights, fresh perspectives on statistics, and information on general trends throughout the insurance industry.

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# Coming in 2023



Due to rising inflation and traffic accident rates, “the general consensus is that it will be eight to 12 months [from fall 2022] before rate increases begin to slow down, and some think it could be several years before prices fully stabilize.”



**Betsy Stella**

Vice President of Insurance Partnerships at Insurify

# The projected cost of auto insurance in 2023

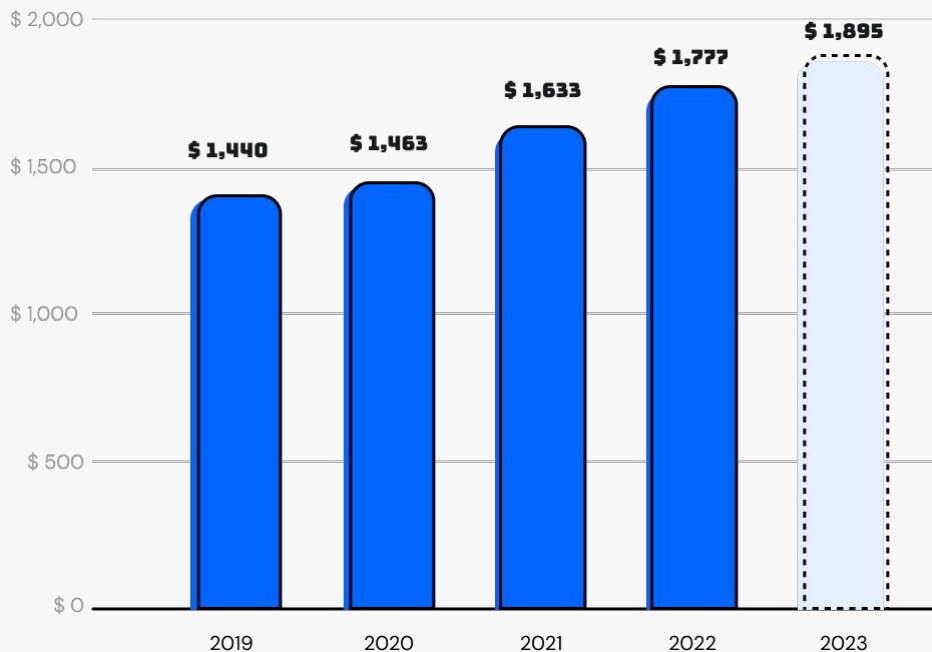
In 2022, rising inflation and more frequent and severe traffic accidents pushed car insurance rates higher. As inflation hit historic highs, fatal accidents also increased 10.5% from 2020, according to the National Highway Traffic Safety Administration (NHTSA).

Nationwide, the average cost of car insurance rose by **9%**, to **\$1,777** per year, in 2022.

Based on historical trends and the current state of the industry, Insurify's expert team predicts the average annual car insurance rate will rise by another **7%**, to **\$1,895**, in 2023.



Projected annual rates for car insurance in 2023



\* 2023 rate is a projection based on Insurify's proprietary quotes data

# Trends according to Insurify's expert panel

Insurify predicts car insurance costs will rise 7% in 2023. We asked our panel of insurance experts to tell us what will be the main drivers of insurance increases next year.



Americans are driving more, causing more total accidents.



Auto repair costs are rising, making every accident more expensive.



Inflation is increasing costs of all goods and services.



Climate change could cause more frequent, damaging natural disasters.



## Panel of insurance experts



**Dan Roccato, MBA**  
Clinical Professor of Finance  
at University of San Diego  
School of Business



**Laura D. Adams, MBA**  
Award-Winning Financial  
Author, Podcaster &  
Spokesperson



**Andrew Wynn**  
Co-Founder & Co-CEO at  
Ascend Insurance Payment  
Solutions

See the Appendix on page 16 for full quotes from our panel of experts.

# 2022

## The year in review

The title '2022' is in a large, bold, dark blue font. To its right are three short, dark blue diagonal lines. Below '2022' is the subtitle 'The year in review' in a bold, orange font. A thick, dark blue horizontal line with a slight wavy, brush-stroke-like texture is positioned below the subtitle.

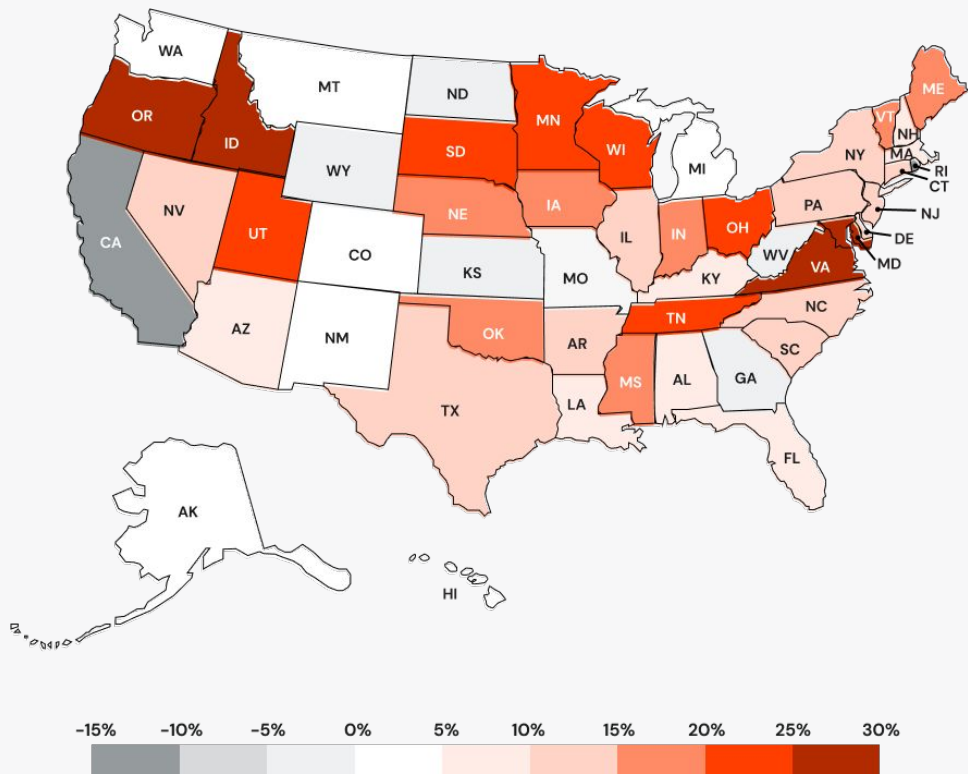
In 2022, life became more expensive. Drivers across the country saw the effects of inflation in their insurance premiums, gas prices, and other vehicle maintenance costs.

# Where did car insurance rates change in 2022?

The average American saw their car insurance rate rise by **9%** in 2022, though many states saw either greater or lesser increases.

**California** actually saw car insurance prices fall **15%** in 2022, amounting to **\$228** in yearly savings for the average driver. This drop is in part due to California's ongoing moratorium on rate increases since the start of the COVID-19 pandemic. Some insurance providers and experts, however, argue that the moratorium is also limiting insurance availability in the state, according to Insurance Journal.

Percent change in average car insurance costs  
2021–2022



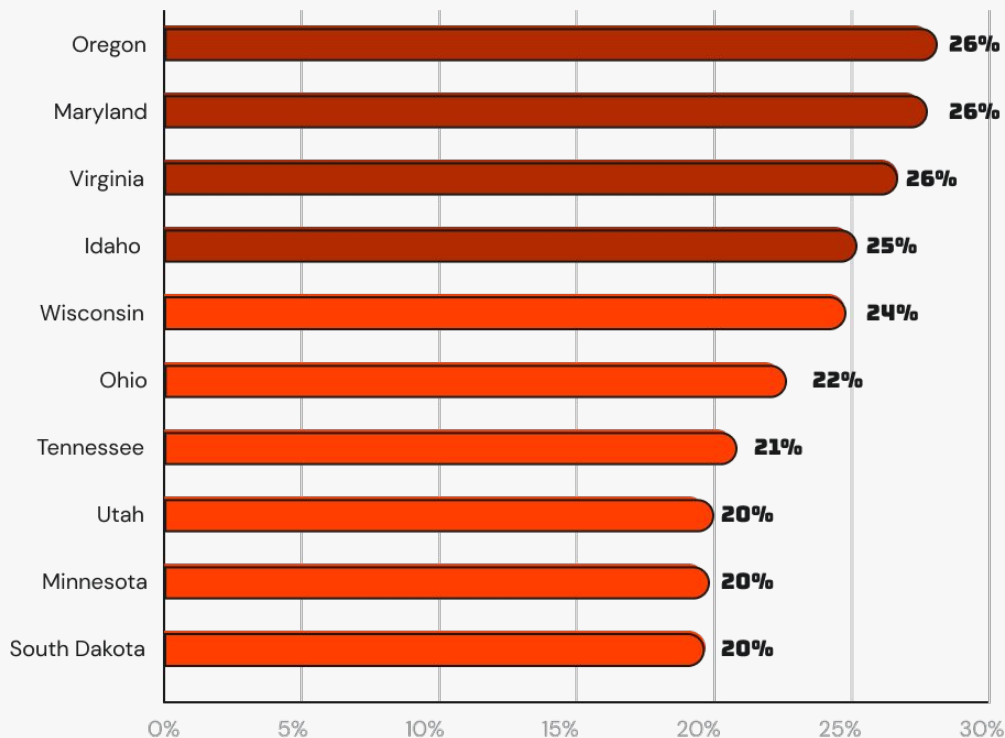


# Where did insurance rates rise the most in 2022?

Some states saw significant hikes in their insurance rates this past year. **Oregon, Maryland, and Virginia** experienced the greatest increases in average car insurance costs in 2022, with premiums rising by more than **25%** in all three states.

While prices stayed about the same in **Michigan**, rising just **1%** year over year, the state remains the most expensive for car insurance. The average Michigan driver paid **\$2,895** for coverage in 2022, **\$1,188 more** than the average American.

Percent increase in average car insurance costs  
2021–2022

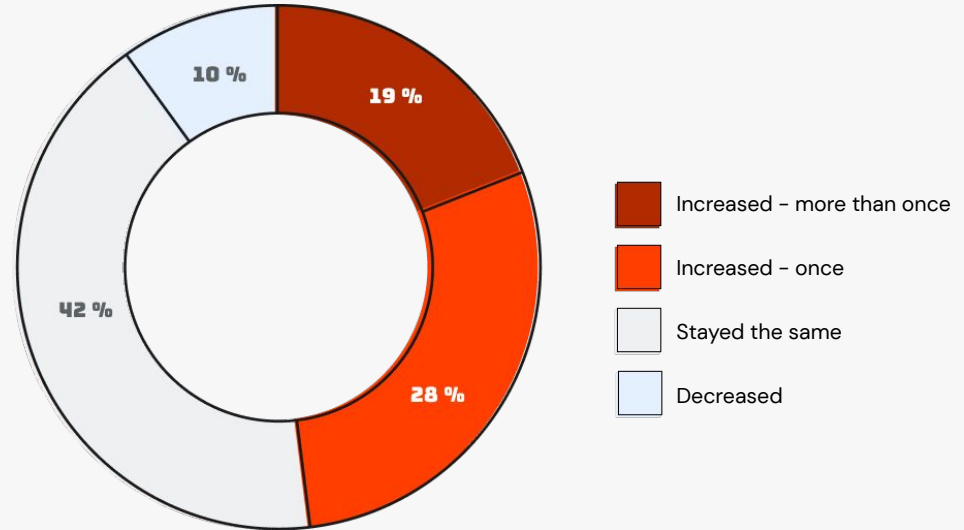


# Insurance rates increased, sometimes twice in 2022

Nearly half (**47%**) of American drivers reported at least one increase in their auto insurance rates in 2022, according to an Insurify survey. The fluctuating socioeconomic conditions of the past year caused some insurers to change their rates in certain states multiple times within the year.

Not only did **28%** of drivers report their rates increasing once in the past year, but **19%** — nearly **1 in 5** drivers — even reported their rates increasing multiple times in 2022.

In 2022, drivers said their insurance rates:



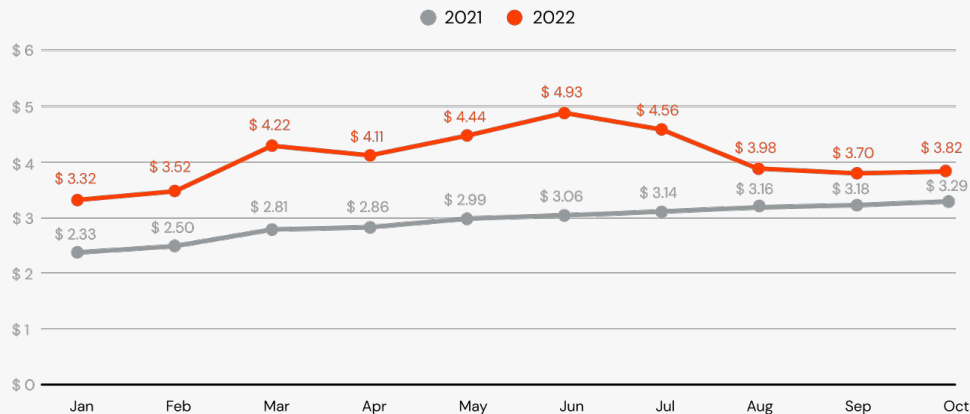
\* due to rounding, all sections do not necessarily sum to 100%

# Drivers paid significantly more at the gas station and for repairs

In addition to rising insurance costs, skyrocketing gas prices strained the budgets of vehicle owners across the country this year. While fuel costs across the U.S. reached their peak in June 2022 and have begun cooling off since, it's still no bargain at the pump.

In 2022, **94%** of American drivers reported paying more for gas, according to Insurify survey data. Vehicle repair costs have risen by **15%** year-over-year, according to the Bureau of Labor Statistics (BLS).

National average cost of a gallon of regular gasoline  
2021–2022



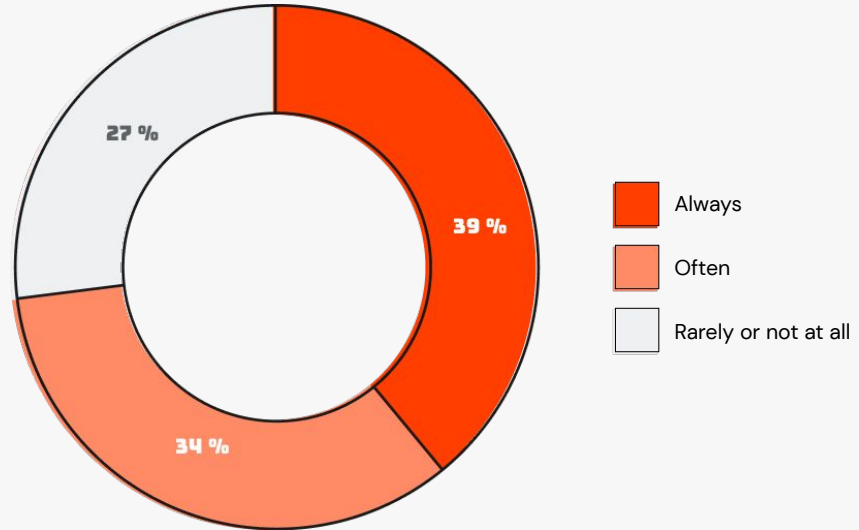
Source: U.S. Energy Information Institute

# Americans said rising fuel prices impact how much they drive

In 2022, **73%** of drivers said that they always or often factor fuel costs into their driving and travel plans, including **39%** of drivers who **always** factor fuel costs into their plans.

Additionally, **61%** of drivers say fuel efficiency is **very important** to them when thinking about their next vehicle purchase.

In 2022, drivers factored fuel costs into their driving and travel plans:



## Ways to save

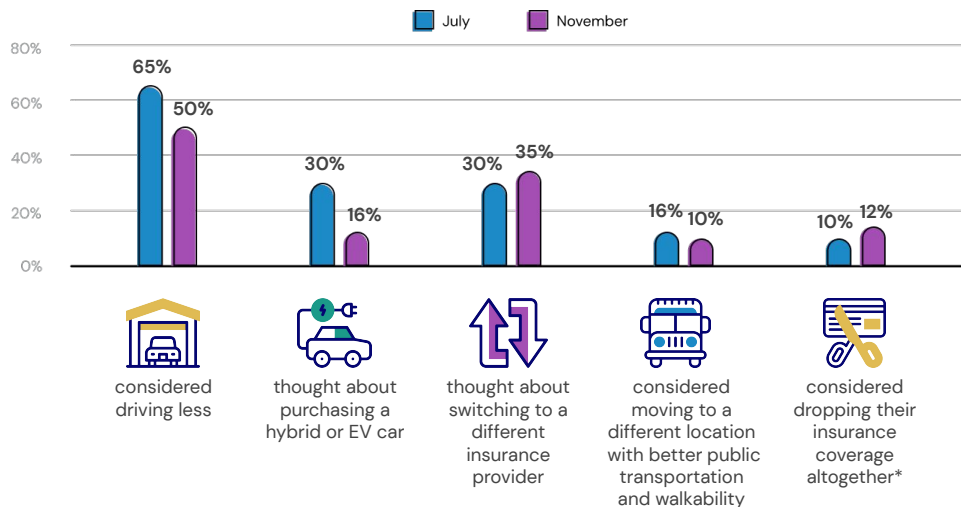
# Americans became less interested in EVs but more concerned about insurance prices throughout 2022

Insurify surveyed more than 1,800 total drivers in July and November 2022, asking them in each instance how they were considering saving on rising vehicle expenses, including insurance, fuel, and maintenance costs.

With national fuel prices cooling off since June, drivers were **half as likely** to consider purchasing a hybrid or EV in November as they were just four months earlier.

However, Americans grew more concerned about insurance prices as the year wore on. In November, more drivers considered switching their insurance provider and even dropping their coverage altogether\* than in July.

How drivers tried to save on vehicle costs: July 2022 vs. November 2022



\* Driving without insurance is illegal in nearly every state. Insurify encourages all drivers to have new coverage lined up before their current plan expires to avoid a lapse.

# Our expert panel's advice on how to save

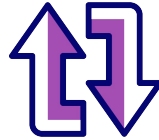
We asked our panel of insurance experts to share advice on how drivers can save in the face of rising car insurance costs. Here's how they responded:



Drive a vehicle that makes sense for your budget — pricey cars tend to cost more to insure, too.



Take advantage of all discounts you may qualify for.



Compare policies from multiple insurance companies every six months.

## Panel of insurance experts



**Dan Roccato, MBA**  
Clinical Professor of Finance  
at University of San Diego  
School of Business



**Laura D. Adams, MBA**  
Award-Winning Financial  
Author, Podcaster &  
Spokesperson



**Andrew Wynn**  
Co-Founder & Co-CEO at  
Ascend Insurance Payment  
Solutions

See the Appendix on page 16 for full quotes from our panel of experts.

# Methodology

To create *Insurify's 2022 Auto Insurance Trends Report*, the research team at Insurify examined more than **69 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 pages 10, 12, and 13 is derived from two surveys of **1,800 total participants** in July and November 2022.

All statistics and percentages in this report are based on Insurify surveys and customer data, 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/december-2022/>.

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**Questions or press inquiries?**  
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## Appendix

# Expert quotes

Insurify predicts car insurance costs will rise 7% in 2023.

**Do you anticipate anything happening in the industry or macroeconomic environment that might influence this prediction or move it up or down?**



### **Dan Roccato, MBA**

Clinical Professor of Finance at University of San Diego School of Business

There are two main “drivers” for the spike in insurance rates: consumers are driving more, and cars are more expensive than ever to repair. It’s hard to see how this changes until we fix our inflation problem.



### **Laura D. Adams, MBA**

Award-Winning Financial Author, Podcaster & Spokesperson

One factor that could cause auto insurance premiums to rise in 2023 is increased claims related to natural disasters that damage vehicles, such as hurricanes, floods, and wildfires. As climate change causes more frequent and significant weather events, drivers will likely make more auto insurance claims.



## Appendix

# Expert quotes

**Based on your expertise, what is the most important factor that will impact changes in insurance costs next year? And how will it affect drivers?**



### **Dan Roccato, MBA**

Clinical Professor of Finance at University of San Diego School of Business

Future increases will depend on the strength of the economy. A recession, along with a weaker labor market, will take the pressure off rate increases. An economic slowdown means lower inflation. This should allow insurers to rein in costs and pass savings on to drivers.



### **Laura D. Adams, MBA**

Award-Winning Financial Author, Podcaster & Spokesperson

If climate- and weather-related auto insurance claims increase, insurers will likely hike rates. When insurance becomes less affordable, more consumers may risk driving with too little or no coverage.



### **Andrew Wynn**

Co-Founder & Co-CEO at Ascend Insurance Payment Solutions

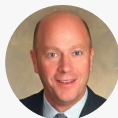
We'll continue to see inflation, traffic accident rates, medical costs, and vehicle repair prices all playing a role in increasing insurance premiums. In some cases, even weather patterns will influence how much or little a premium goes up or down.

## Appendix

# Expert quotes

**Can you share one piece of advice on how drivers can mitigate or manage these changes?**

**INSURIFY**



### **Dan Roccato, MBA**

Clinical Professor of Finance at University of San Diego School of Business

Focus on what you can control. The biggest factor we control is parked in our driveway. Your choice of vehicle has a huge impact on cost. So “boring is better” when it comes to saving money on auto insurance. Your heart wants a new convertible; your wallet is happier with an older sedan.



### **Laura D. Adams, MBA**

Award-Winning Financial Author, Podcaster & Spokesperson

The best way for drivers to manage higher auto insurance premiums is by shopping and comparing quotes at least annually. Plus, taking advantage of discounts you may qualify for, such as multi-line, multiple vehicles, and good students is essential.



### **Andrew Wynn**

Co-Founder & Co-CEO at Ascend Insurance Payment Solutions

Looking ahead, consumers will need to shop around before sticking with the same policy or before considering buying a new one.