



Insuring the American Driver

Trends in Cost & Coverage

2021

About this report

Insurify's **Insuring the American Driver** report is an exhaustive investigation of **2021's unique car insurance landscape**, providing a full analysis of over **40 million auto insurance premiums**. The report takes a closer look at the primary factors driving **insurance costs**, reviews **major developments** in the driver behavior and insurance landscape during an unprecedented year, and offers **rate projections** that look ahead to 2022.

Car insurance is one of the most universal and costly regular expenses that American households face. The cost of car insurance varies for each policyholder based on a variety of key components: **where** they live, **who** they are, and **what** and **how** they drive.

To compile **2021's Insuring the American Driver** report, **Insurify's** data science and research team analyzed quoting data from millions of unique car insurance applications detailing driver's vehicles, driving records, and demographic information.

Insurify is the top-rated and most-rated virtual insurance agent in America, offering an instant quote comparison experience for auto, home, and life insurance policies. Insurify has been used by over 7 million policyholders since 2017. Insurify is also a valued source of consumer education, delivering data-driven insights and fresh perspectives on statistics and general trends throughout the insurance industry.

Auto insurance coverage in plain English

A basic car insurance policy is made up of three separate dollar figures, each assigned to a different type of coverage:

\$50k

Bodily injury liability per person

\$100k

Bodily injury liability per accident

\$50k

Property damage per accident

The figures for each of the above three categories 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 upfront or monthly flat fee 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.

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.

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

- **Collision coverage:** This covers damage sustained to your car if it collides with another vehicle or object.
- **Comprehensive coverage:** This 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 is a term often used by insurers. A full-coverage policy is typically the most exhaustive 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 your local insurance agent or on the Insurify's blog.

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A Look Ahead to 2022

The projected cost of auto insurance in 2022

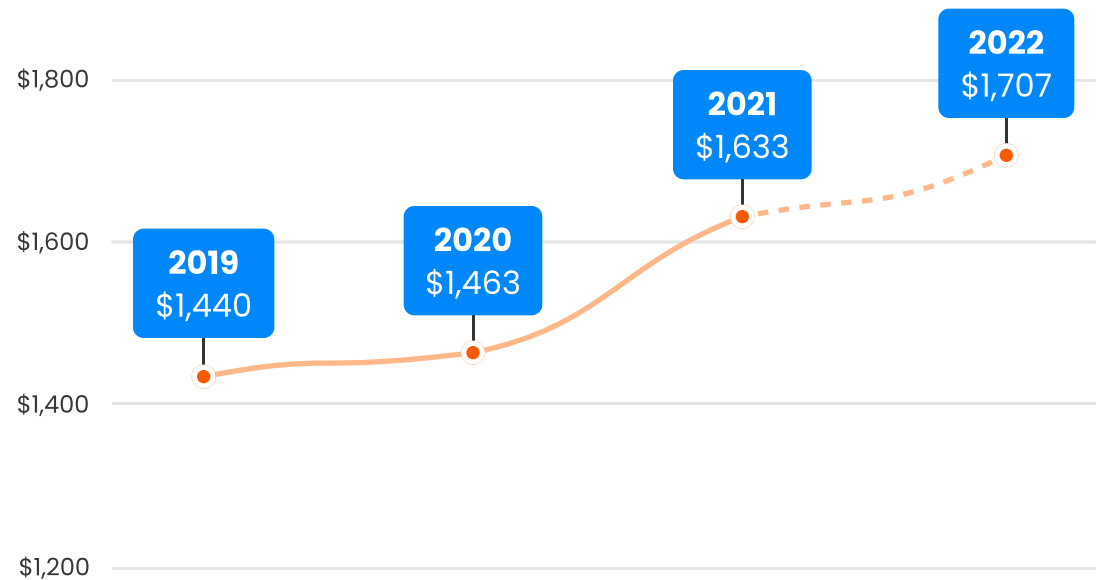
Car insurance rates rose **12%** in 2021 and are projected to rise another **5%** in 2022.* Inflation in 2021 may be a root cause; as of May 2021 consumer prices were up **5%** according to the Bureau of Labor Statistics.

In addition, driving rates and fatalities are on the rise as homebound drivers return to the roads. Worsening accidents can lead to higher claims payouts for insurers and, in turn, to more expensive rates for drivers.

38%
of drivers report
driving more
in 2021 than
last year.

12%
rise in car
insurance rates
in 2021.

Projected annual rates for
Car insurance in 2022



*Based on projections modeled from historical premium trends from Insurify's proprietary database.

New Developments in 2021

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

Pandemic legacy:

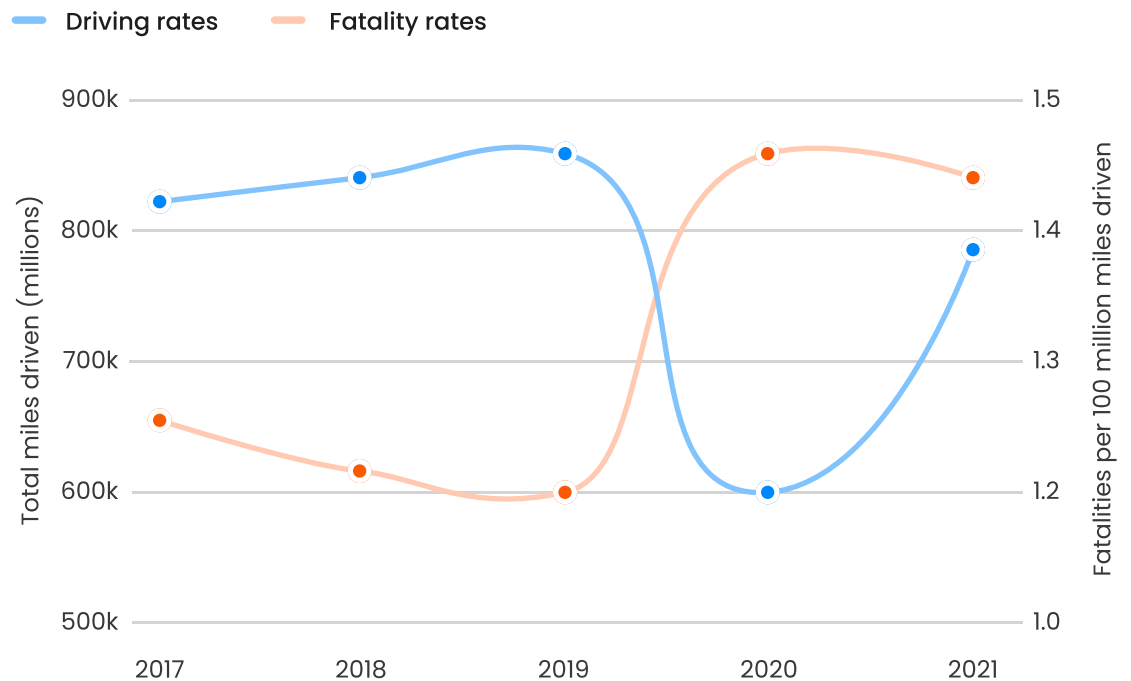
Driving and fatalities

In March, April, and May of 2021, Americans drove **32%** more miles than during the same period in the previous spring, though mileage did not quite return to 2019 levels.

Initial data also suggests that the number of fatalities increased by **30%** annually over this same time period.

While the fatality rate decreased by **3%** between spring 2020 and 2021, it remained **26%** higher in 2021 than it was during the same period in 2019. This suggests that reckless driving habits adopted during initial pandemic shelter-in-place orders have endured well beyond the onset of the pandemic.

Mileage and fatality rate trends (March-May)



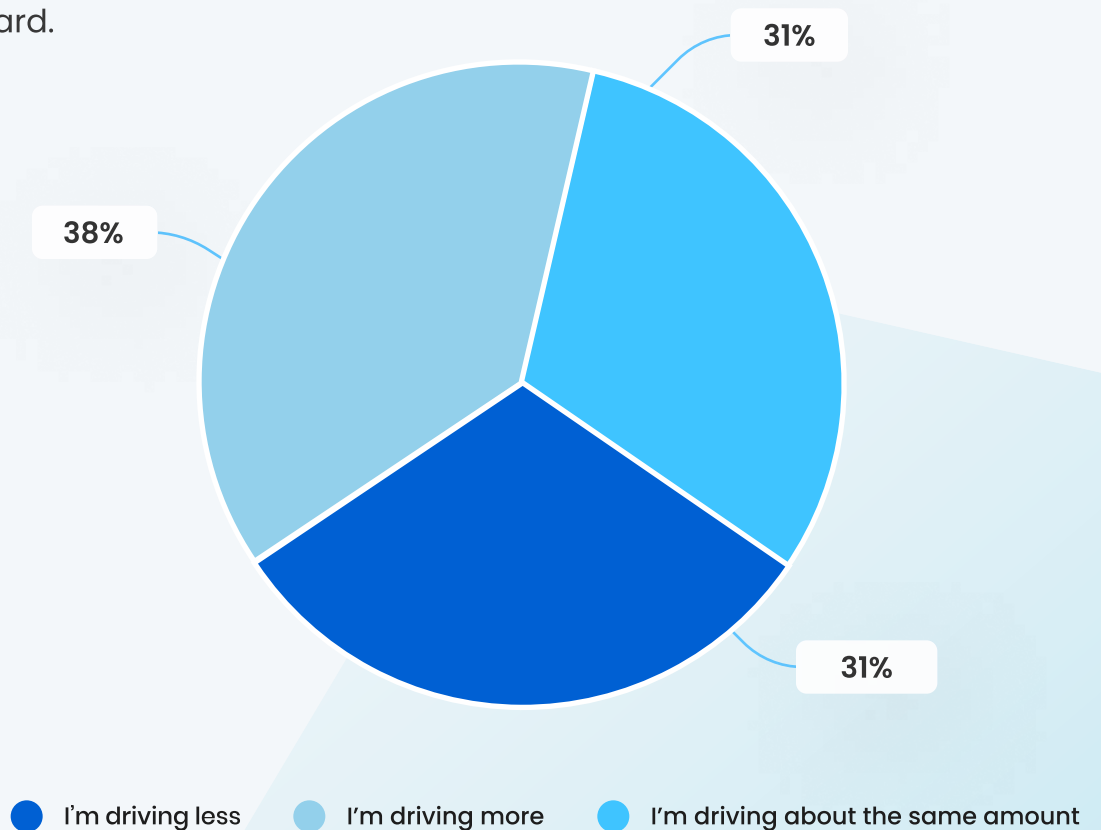
Sources: National Safety Council & the Institute for Traffic Safety Management and Research

Pandemic legacy:

Driving rates

While many drivers report driving more in 2021 compared to 2020, a little less than one third of drivers are driving the same amount or even less, respectively, suggesting that while traffic is up, it has yet to return to pre-pandemic levels across the board.

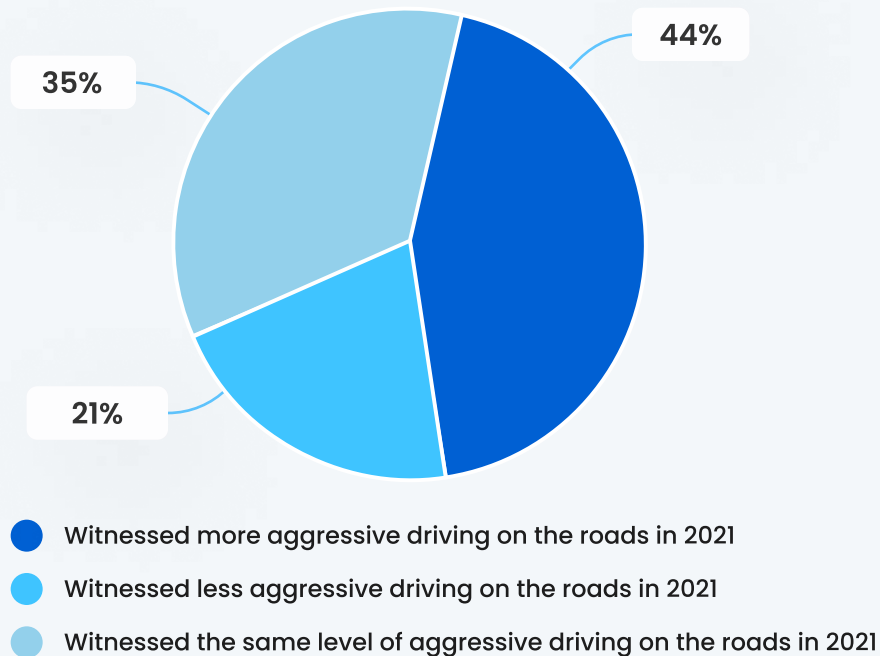
38%
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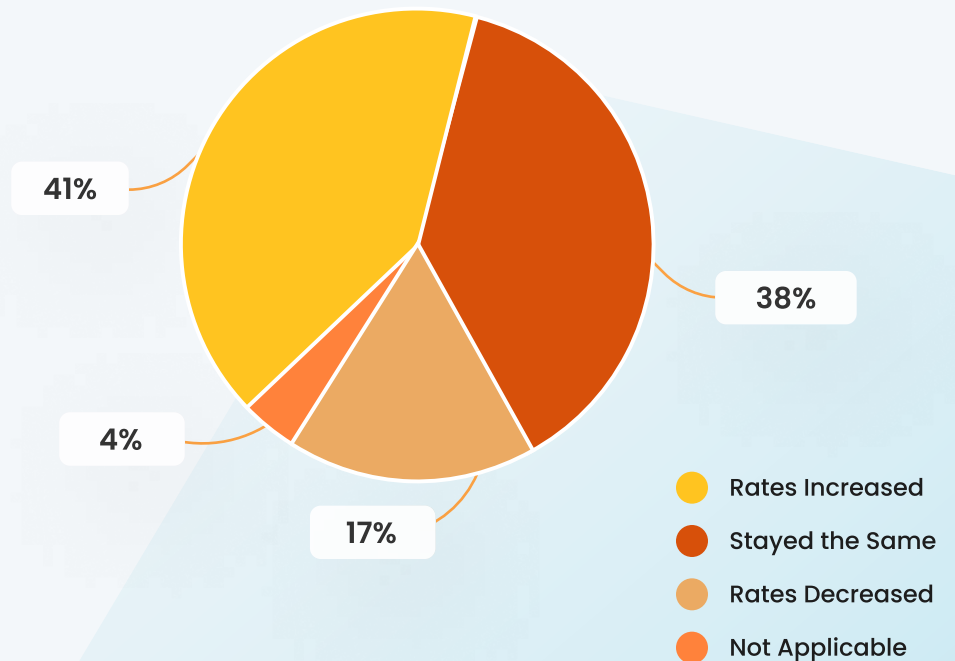
Pandemic legacy:

Rise in aggressive driving and insurance costs

44% of drivers reported witnessing **more aggressive driving on the roads** in 2021 than before the pandemic.



Insurance rates went up in 2021, not only for drivers who received at least one ticket for a moving violation, but across the board: many drivers whose rates increased in 2021 did not have any violations on record.



Auto Insurance Prices Broken Down

Which factors determine your car insurance rate, and why?

Many different elements help to determine your car insurance rates

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.

Discounts

The more discounts, the better! A seemingly expensive policy could be a lot more affordable if you're eligible for the right discounts. Such deductions can apply to certain groups of drivers, like teachers or first responders. Alternately, certain features of your vehicle (like having an anti-theft system) can make you eligible.

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. 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 are charged 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.

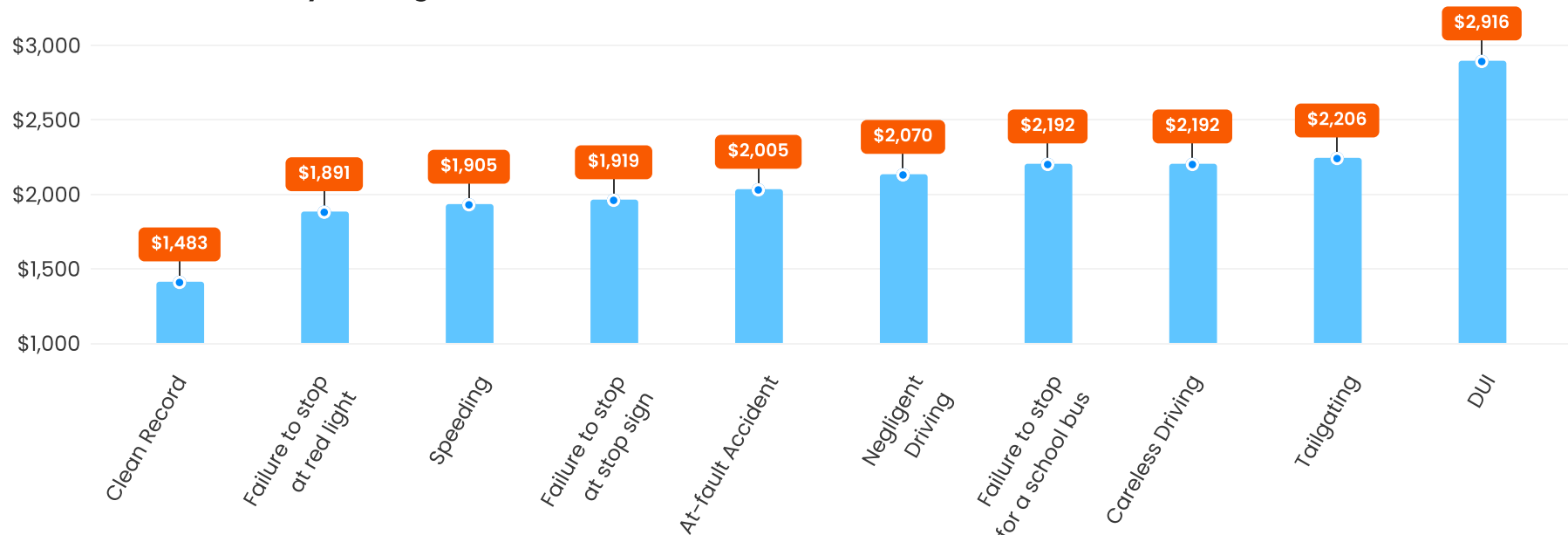
Driving Record

Driving violations significantly increase car insurance costs

Even a single prior traffic offense can hike up the price of your premium by an average of **35%**.

Drivers with a history of incidents behind the wheel pay **\$2,005** on average for car insurance, while car owners with a clean driving record stretching back three to seven years spend just **\$1,483**.

Quote Price by Driving Violation



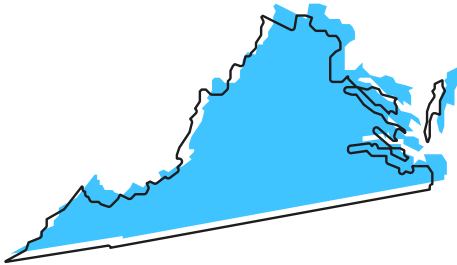
The steep price of aggressive driving

What makes a driver aggressive? Insurify's data team classified aggressive drivers as those who have been charged with a prior infraction that indicates a serious disregard for others on the road. Those offenses include the failure to yield or stop, tailgating, street racing, hit-and-runs, negligence, and reckless driving.



INSURIFY INSIGHT

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



Safe Drivers

\$1,483

Safe drivers have clean, violation-free driving records. Their caution saves them an average of **\$422** yearly in premium costs when compared to their more aggressive counterparts.

Aggressive Drivers

\$1,905

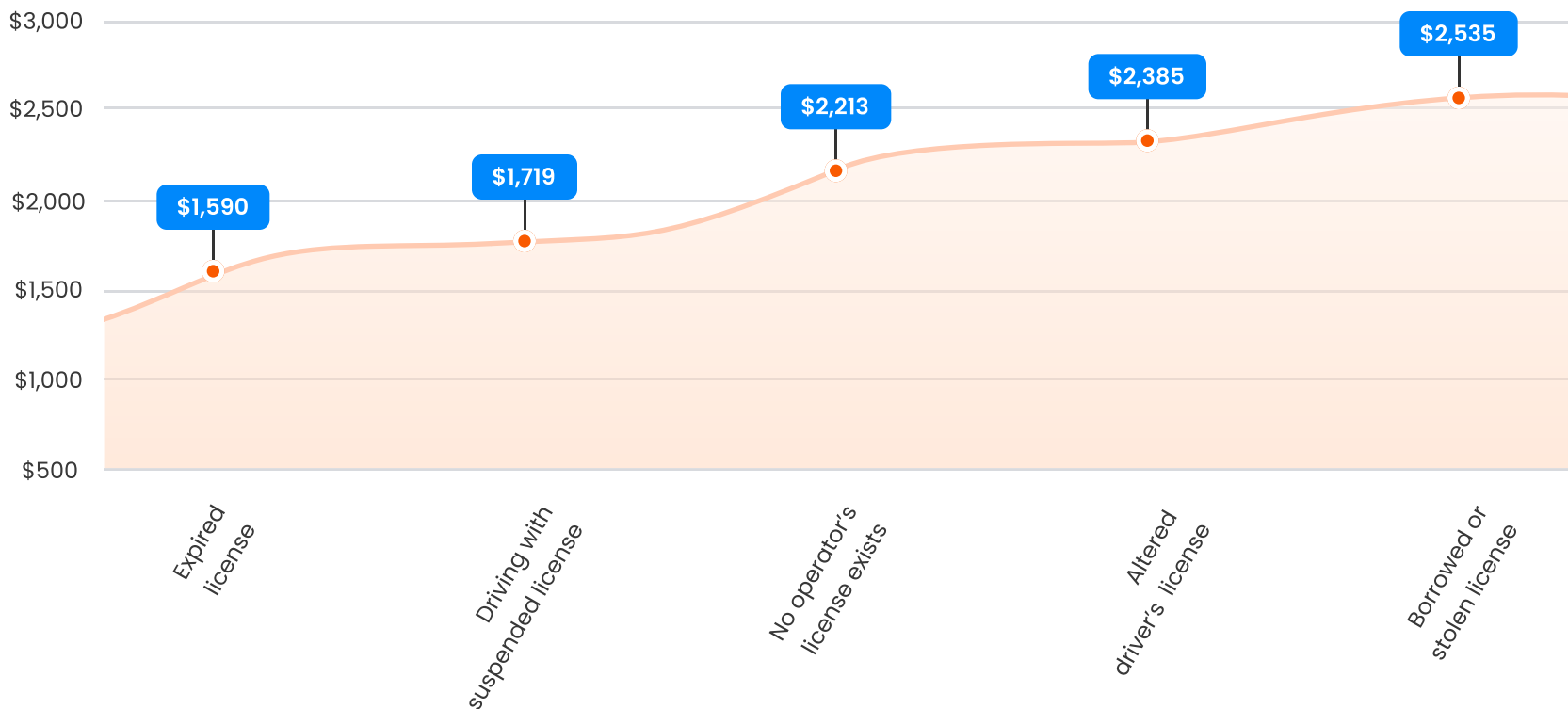
Aggressive drivers pay over **25%** more in car insurance premiums than drivers with a clean record. That's because insurance companies consider aggressive drivers to be more likely to reoffend and riskier to insure.

License violations

License violations cost drivers on average **\$2,088** in yearly insurance premiums, which is 41% more than what they'd pay with a clean record.

Drivers who are caught with a borrowed or stolen license pay the most, owing up to **71% more on their premium.**

Quote Price by License Violation



Vehicle

The cost of insurance by vehicle type

It's more expensive to insure a **foreign vehicle** (made outside of the U.S.) compared to a **domestic vehicle** (made in the U.S.), partially due to the extra costs of shipping replacement parts overseas.

Sedan

\$2,013



Truck

\$1,683



Cargo Van

\$1,325



SUV

\$1,705



Minivan

\$1,296



The impact of a car's age on rates

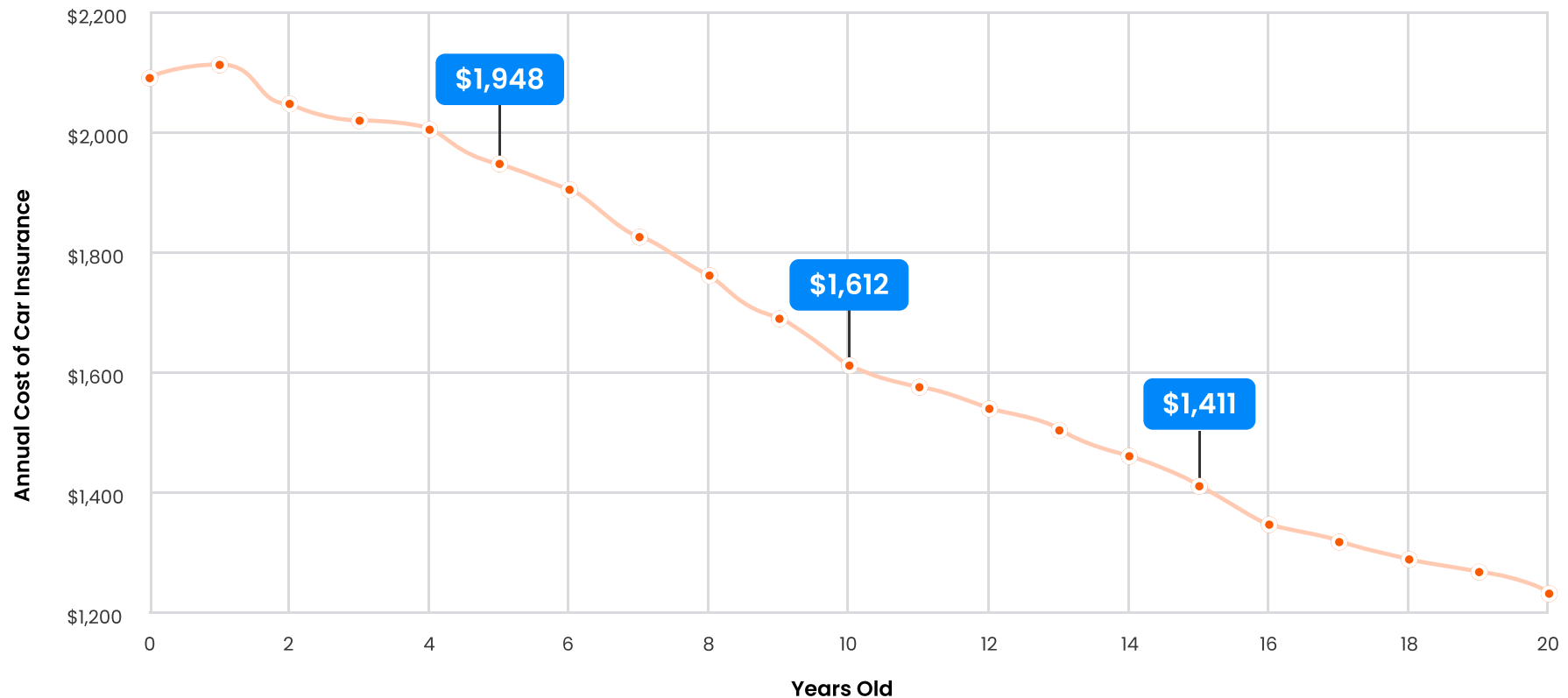
Average age of a car in the US*

12.1 years

The older the vehicle, the less costly it is to insure.

Newer, more technologically-advanced car models tend to be more expensive to replace.

Quote Price by Age of Vehicle

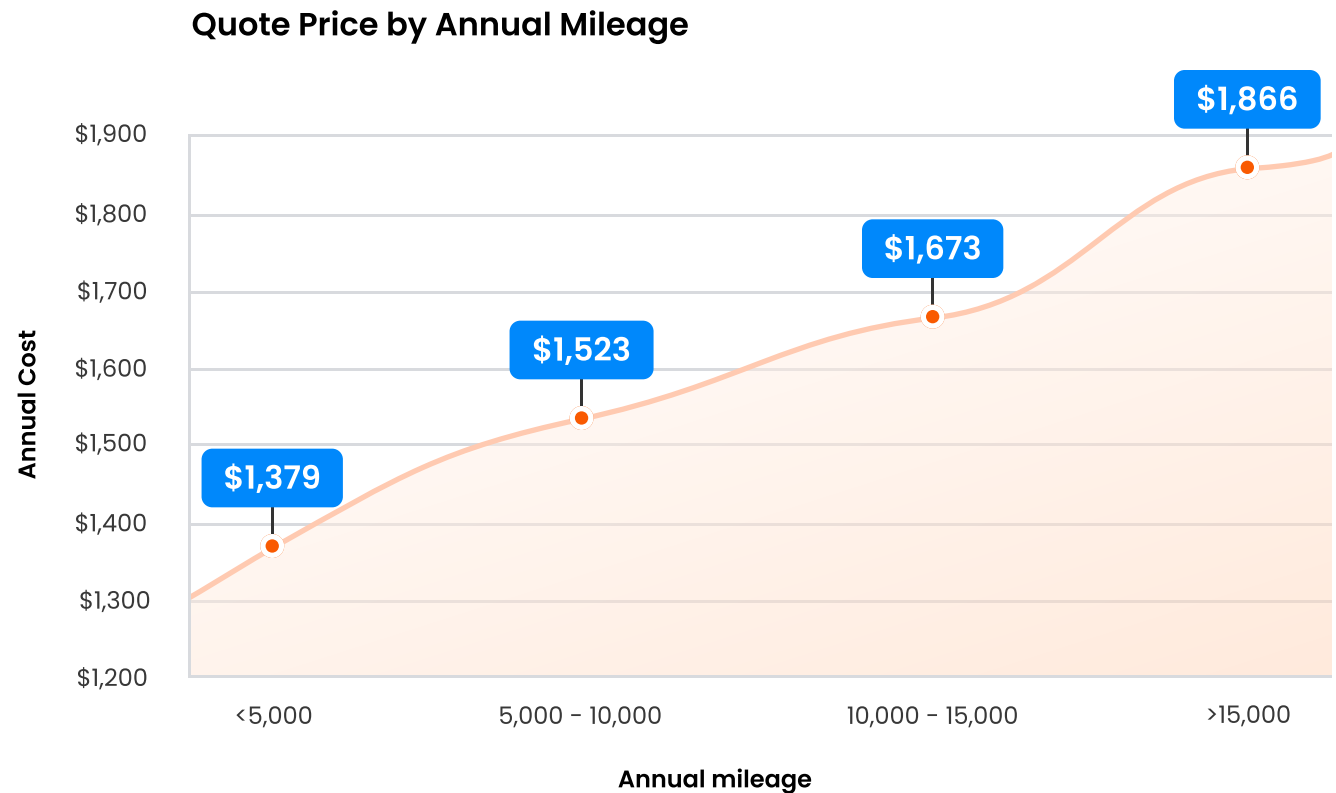


* according to Bureau of Transportation Statistics

The impact of annual mileage on car insurance rates

Every mile driven increases the odds of getting into a car accident. That's why car insurance rates tend to increase proportional to the amount of rubber you burn.

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



The cheapest and most expensive car brands to insure

1.



Fiat

\$1,511

2.



Buick

\$1,533

3.



Subaru

\$1,597

Cheapest

Fiat, Buick, and Subaru have the cheapest cars on the market to insure. Known for their accessible pricing and dependability, insurance for Fiat, Buick, and Subaru vehicles costs the least.

Most Expensive

Alfa Romeo, Maserati, and Tesla models are the most expensive to insure. Not only do these car brands make cars that have high starting prices, but they're also the most expensive to insure.

1.



Alfa Romeo

\$3,058

2.



Maserati

\$2,922

3.



Tesla

\$2,908

Insuring the 10 most popular cars

Midsize sedans continue to be a popular choice for American consumers, but the most popular cars in the U.S. come from the Ford F-Series Pickup line.

F-Series trucks are well known for their reliability, carrying capacity, and popularity for both work and leisure.



INSURIFY INSIGHT

Nothing is more quintessentially American than a Ford F-Series pickup. In fact, about **1 in 40 Americans** drives one of these perennially popular trucks.

1. Ford F-Series Pickup
\$1,619



2. Honda Civic
\$1,962



3. Honda Accord
\$1,855



4. Chevrolet Silverado
\$1,762



5. Toyota Tacoma
\$1,826



6. Honda CR-V
\$1,332



7. Nissan Altima
\$1,998



8. Chevrolet Impala
\$1,769



9. Chevrolet Malibu
\$1,912



10. Toyota Corolla
\$1,991



*"Popular" is defined as the most commonly owned.

The 10 most expensive vehicles to insure

Perhaps it's no surprise that the most expensive vehicles to insure almost always fall within the **luxury** and **sport** category. **Luxury** and **sport** cars tend to be built with more exotic and hard-to-replace parts, and sports car drivers are statistically more likely to get into accidents behind the wheel.

1. Tesla Model S
\$3,166



2. Tesla Model 3
\$2,972



3. Infiniti Q50
\$2,779



4. Mercedes Benz
CLA-Class
\$2,750



5. Dodge Charger
\$2,679



6. Hyundai
Genesis Coupe
\$2,614



7. BMW 7-Series
\$2,593



8. BMW 4-Series
\$2,564



9. Dodge Challenger
\$2,535



10. Ford Mustang
\$2,514



The 10 cheapest vehicles to insure

Drivers in the market for a vehicle with rock-bottom insurance costs should look for an **older, lower-priced car model**. That's because older cars typically have fewer expensive electronic parts to replace. That said, regular maintenance costs typically increase with car age and mileage.

1. Chevrolet HHR
\$1,189



2. Chrysler Town & Country
\$1,246



3. Subaru Forester
\$1,296



4. Dodge Grand Caravan
\$1,304



5. Honda CR-V
\$1,332



6. Dodge Caliber
\$1,339



7. Subaru Outback
\$1,347



8. Chevrolet Captiva
\$1,354



9. Chrysler Pacifica
\$1,361



10. Buick Lucerne
\$1,368



Location

Cost by state

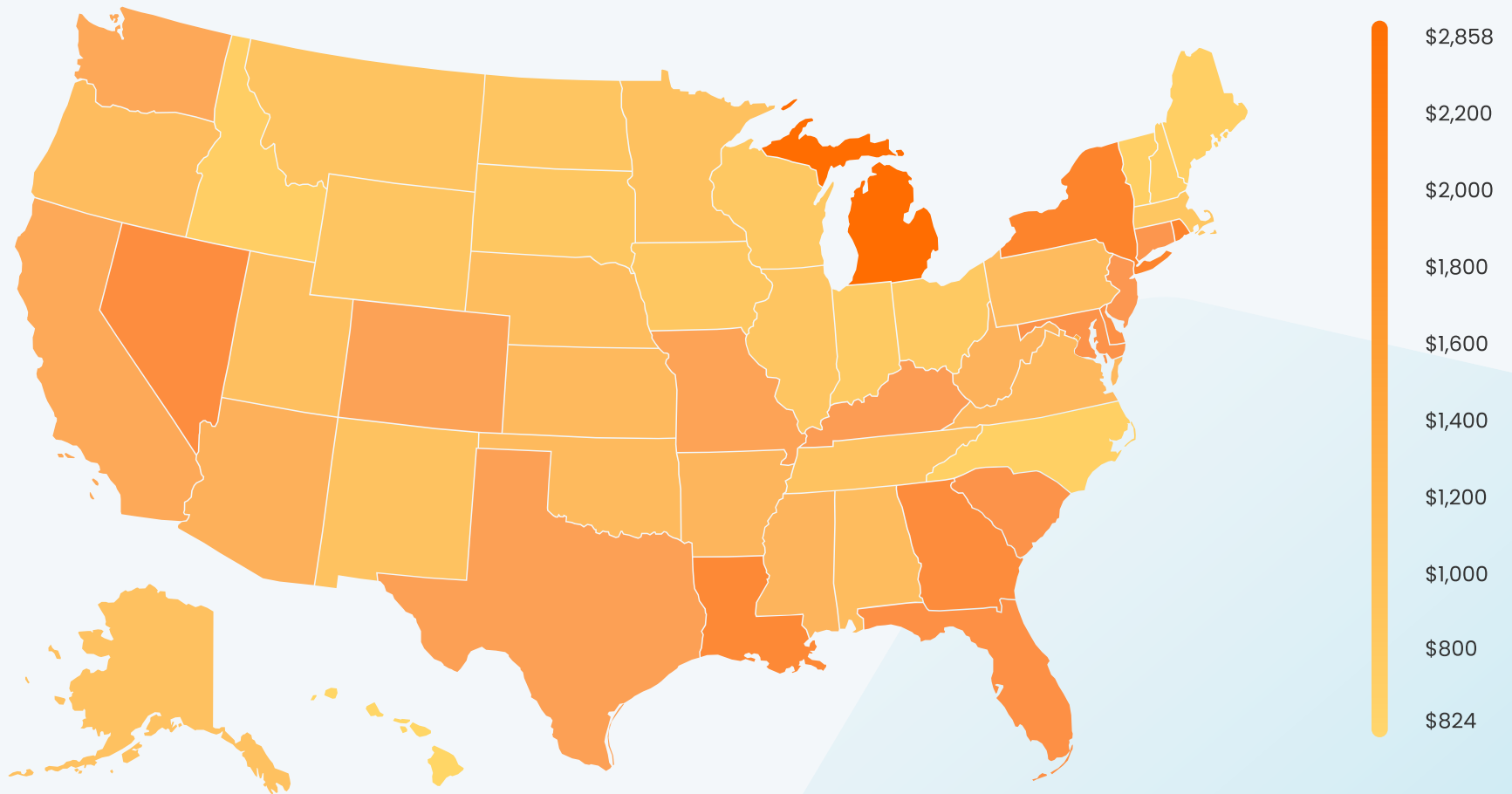
Regional variation in car insurance costs are driven by **differing weather patterns, crime rates, and laws.**

With population density comes increased congestion and a higher risk of a collision; generally, **the more populous an area, the higher the insurance premiums.**



INSURIFY INSIGHT

In 2021, the average annual cost of car insurance in the U.S. is **\$1,633.**



The 10 states with the cheapest auto insurance



1. Hawaii

\$824



2. North Carolina

\$924



3. Maine

\$945



4. Vermont

\$945



5. Idaho

\$953



6. New
Hampshire

\$953



7. Indiana

\$1,017



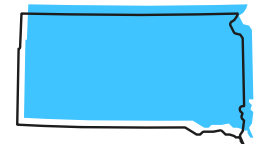
8. Ohio

\$1,031



9. Wisconsin

\$1,060



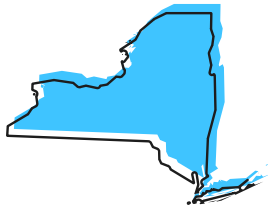
10. South Dakota

\$1,074

The 10 states with the most expensive auto insurance



1. Michigan
\$2,858



2. New York
\$2,321



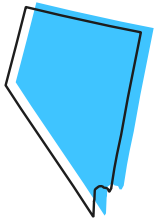
3. Rhode Island
\$2,321



4. Louisiana
\$2,206



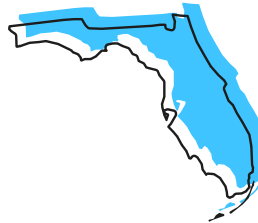
5. Georgia
\$2,127



6. Nevada
\$2,091



7. Delaware
\$2,020



8. Florida
\$2,020



9. South Carolina
\$1,955



10. Maryland
\$1,948

Top 10 cities with the cheapest car insurance

Many location-based factors can lead to cheaper car insurance rates, including good weather, low traffic congestion, and lenient local regulations.

Drivers in cities with lower rates of vandalism and car theft will also enjoy below-average premiums.



1. Durham, NC

\$881



2. Raleigh, NC

\$888



3. Greensboro, NC

\$888



4. Boise, ID

\$902



5. Fort Wayne, IN

\$988



6. Dayton, OH

\$1,003



7. Harrisburg, PA

\$1,031



8. Ogden, UT

\$1,039



9. Evansville, IN

\$1,046



10. Akron, OH

\$1,046

Top 10 cities with the most expensive car insurance

Extreme weather, higher incidences of crime, and high traffic congestion can all lead to higher car insurance rates.

No-fault insurance laws and burdensome personal injury protection requirements also contribute to these cities' higher-than-average premiums.



1. Detroit, MI

\$4,806



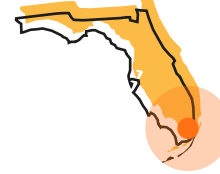
2. Lithonia, GA

\$3,209



3. Decatur, GA

\$3,015



4. Hialeah, FL

\$2,886



5. Stone Mountain, GA

\$2,879



6. Providence, RI

\$2,815



7. New Orleans, LA

\$2,772



8. Homestead, FL

\$2,736



9. New York, NY

\$2,707



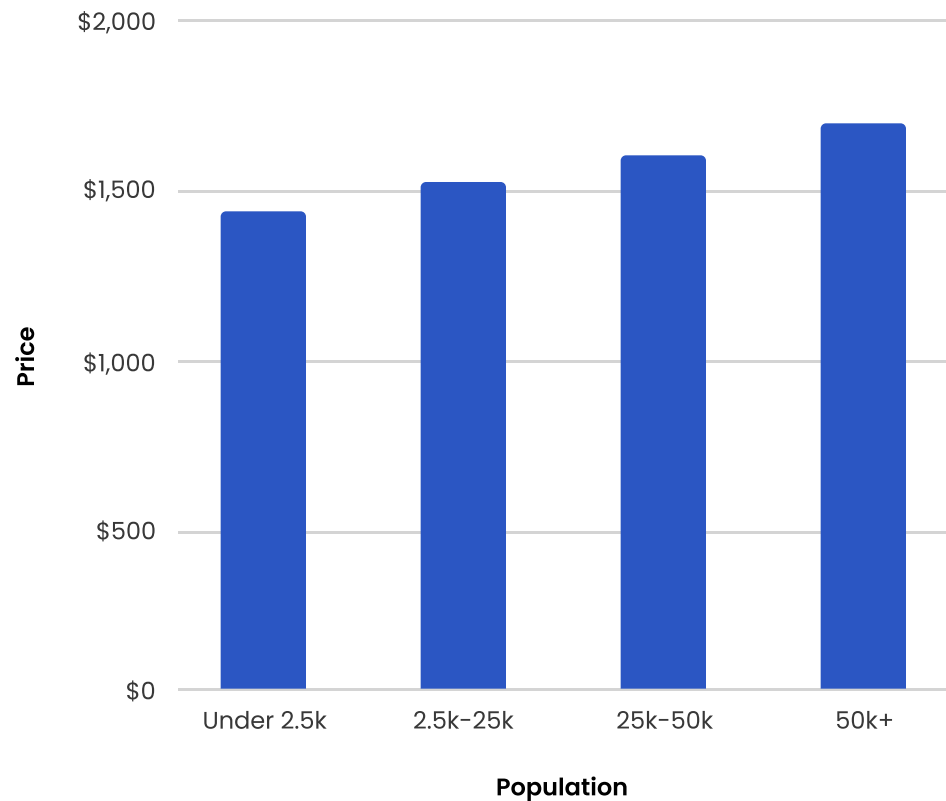
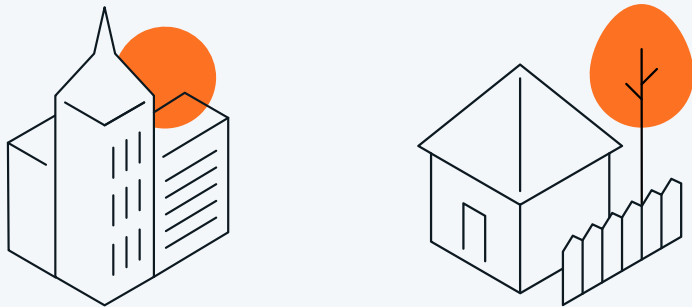
10. Atlanta, GA

\$2,686

The cost of insurance from cities to rural areas

Car insurance tends to cost more in urban areas. It's simple: more people, more cars, and more uninsured drivers mean more accidents and **more risk overall**.

This heightened risk means that insuring a vehicle in a more densely-populated area is usually more expensive than insuring that same vehicle in a rural region, even with an identical driver profile.

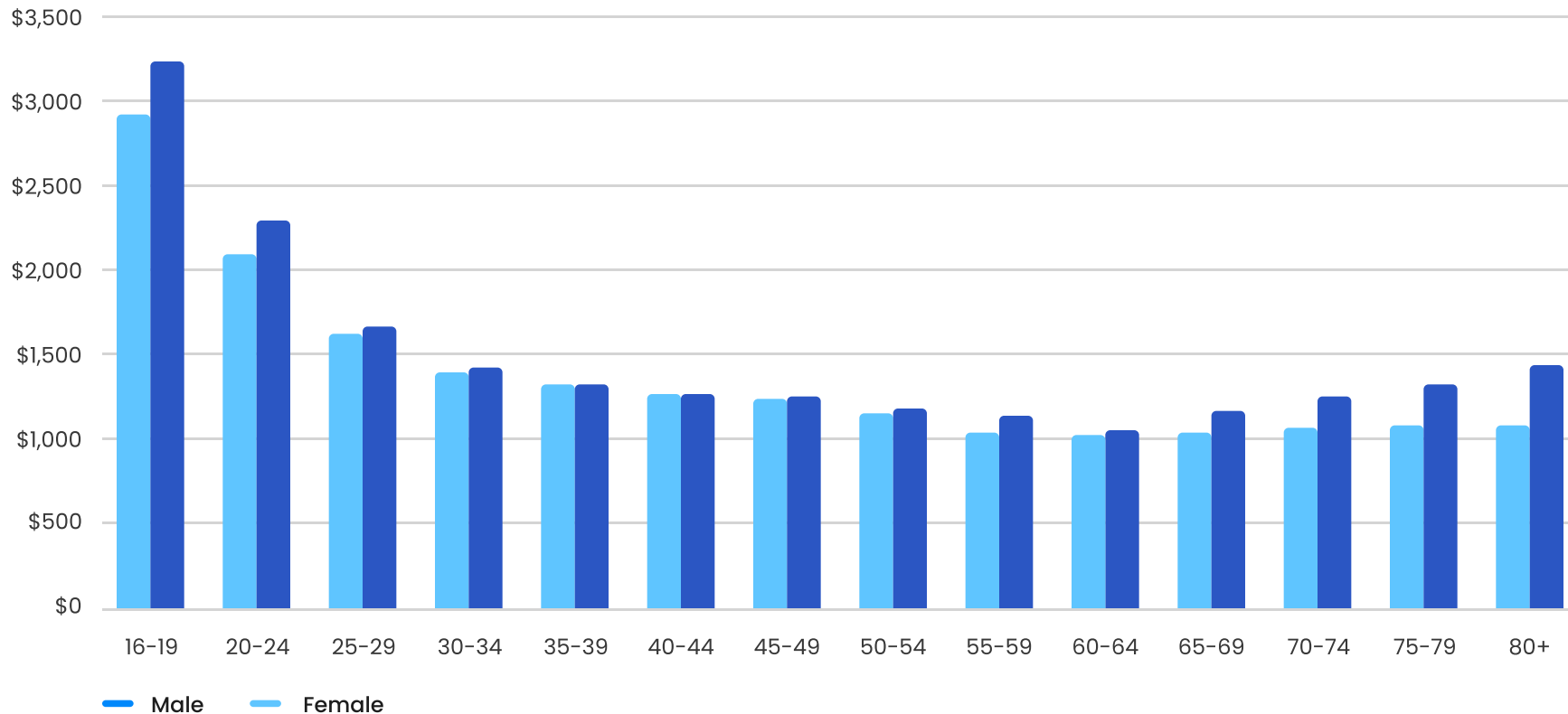


Demographics

Impact of gender and age on car insurance quotes

Gender impacts car insurance premiums, as does age. Women pay 9% less for their car insurance than men, and 14% less than non-binary policyholders. Teenagers are the most expensive age group to insure: a relative lack of experience in this age cohort means that teenage boys pay a jaw-dropping \$3,223 yearly on average.

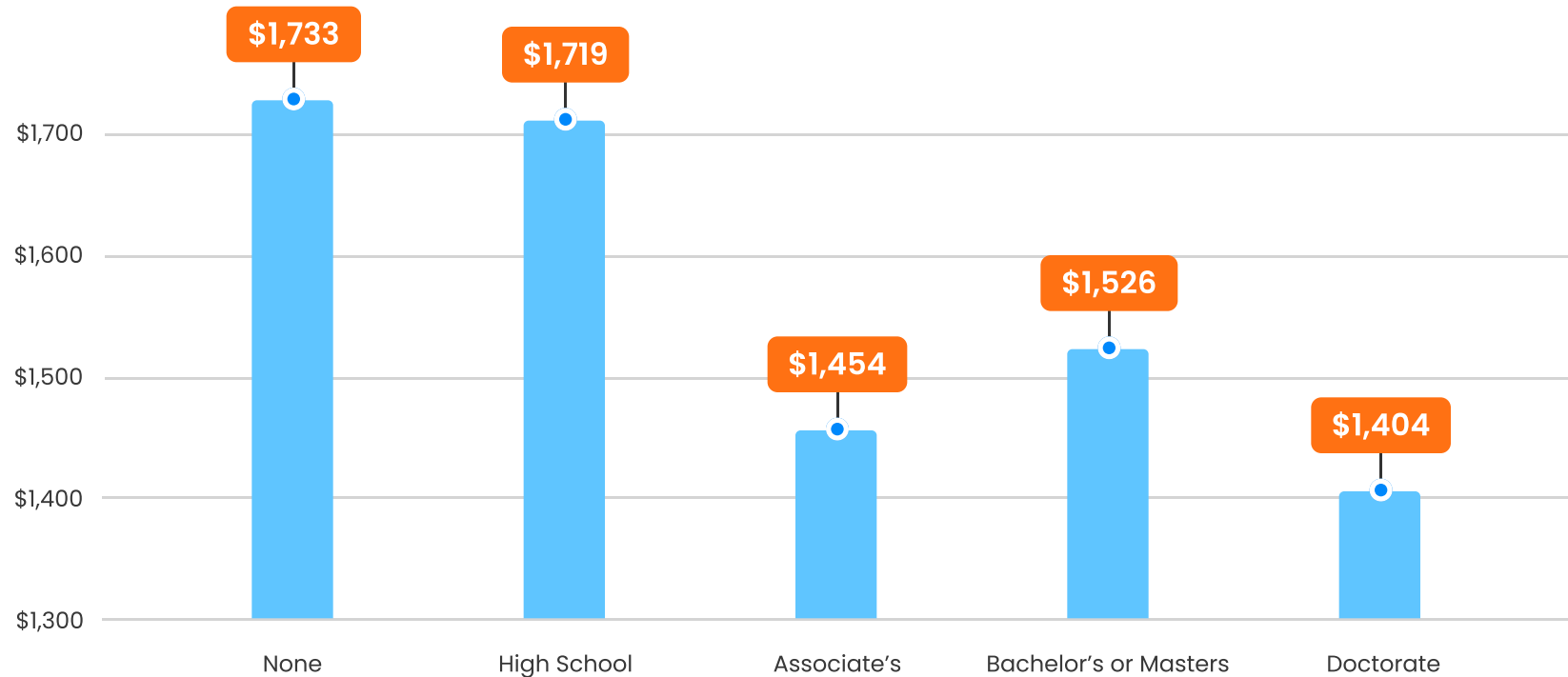
As of 2021, seven states prohibit the use of gender as a factor in pricing an auto insurance policy: **CA, MA, HI, MI, MT, NC, & PA**. Yet, women still pay 8% less than men for auto insurance in these states.



Drivers with more advanced degrees pay less for car insurance

It may be a surprise to learn that car insurance rates vary by driver education level. On average, drivers with a doctorate pay the least for their auto insurance, while those without a high school degree pay over 20% more.

Education level alone, however, does not perfectly correlate with quote prices due to differences in the vehicles being insured. Drivers with lower incomes tend to drive older, more affordable cars that can lead to receiving lower rates, even with a smaller education discount.



The impact of marriage and homeownership on auto insurance

Marriage tends to come with some financial perks (tax breaks, anyone?), and can even lower the cost of your car insurance.

That said, married renters still pay a bit more on average for auto insurance than unmarried homeowners. That's because owning a home correlates positively with a lower risk of car accidents or other traffic incidents.

Price by Marital Status

Single	Married
\$1,669	\$1,554

Price by Homeownership Status

Doesn't own home	Owns home
\$1,683	\$1,497



Unmarried homeowners

\$1,418



Unmarried renters

\$1,719



Married homeowners

\$1,583



Married renters

\$1,526

Credit score

Unless purchasing an auto insurance policy from a no-credit-check insurer, a driver's credit score will be a key factor in their insurance costs.

On average, drivers with a credit score in the Excellent category pay the least, averaging **\$1,540** yearly, while those in the Poor category pay over **50%** more.

Drivers with a low credit score or no credit history can benefit from comparison shopping for car insurance or purchasing an insurance policy from a no-credit-check provider.



INSURIFY INSIGHT

Several states, including **California**, **Hawaii**, **Massachusetts**, and **Maryland** have banned the practice of using credit scores to determine car insurance rates.



Fair/Poor

\$2,378



Average

\$1,919



Good

\$1,640



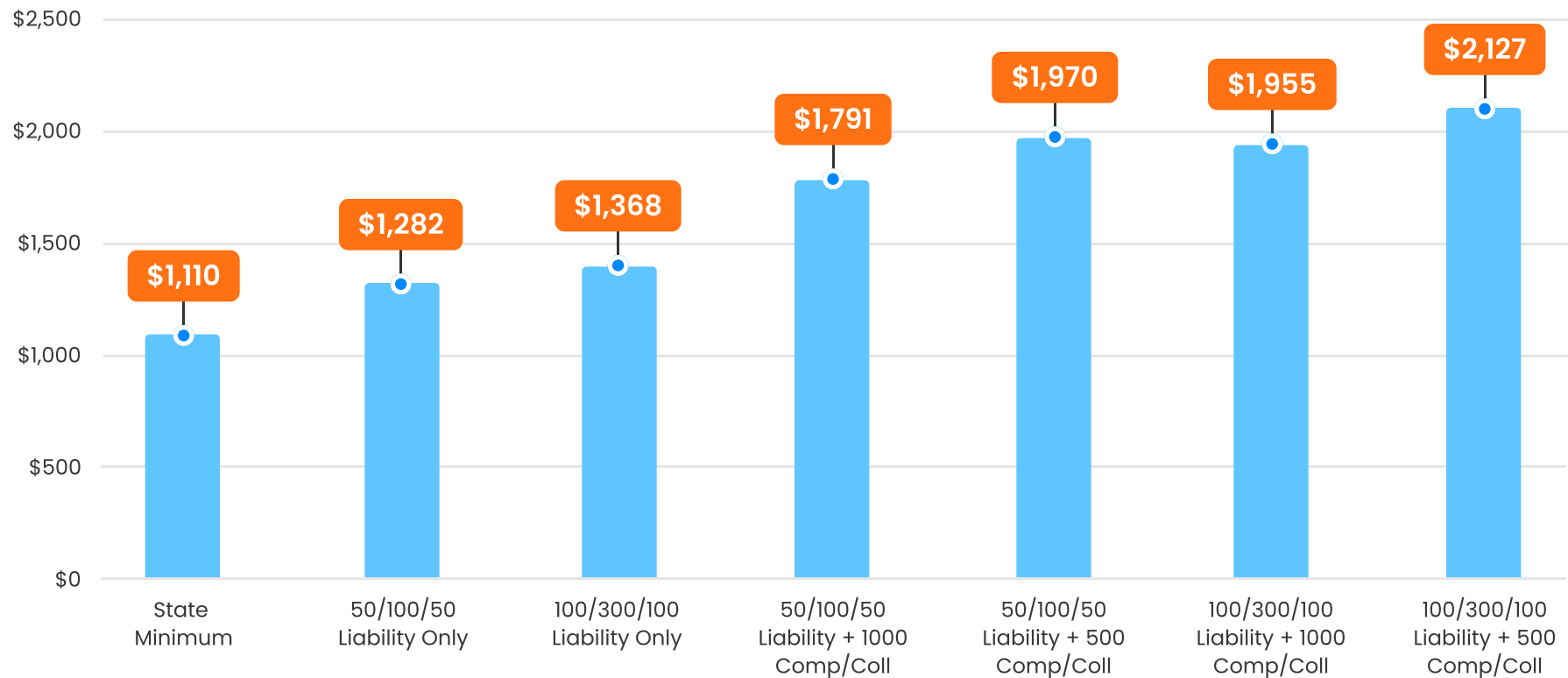
Excellent

\$1,540

Coverage & Discounts

Lower rates provide less coverage in the event of an accident

Full coverage policies may cost more than state minimum policies, but in the event of an accident, drivers with full coverage can expect to pay fewer out-of-pocket costs.



Discounts and savings on car insurance

Insurers grant discounts on auto insurance to low-risk drivers for a variety of qualifications, such as having low mileage or a clean driving record.

These **discounts** can lower premiums by **up to 16%**, which can significantly help drivers save over time.

Senior driver
safety training

\$1,404



Bundle
Home

\$1,511



Married

\$1,619



AAA
Member

\$1,583



Military

\$1,618



Premium for
drivers without
discount

\$1,654



Methodology

To create 2021's Insuring the American Driver report, the Insurify data science and research team examined over 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 contain information on car owners' vehicles, their driving history dating back seven years, and their demographic information.

The data on driver behavior and policyholder experience in 2021 reported on pages 10–11 originated from a survey of **over 1,000 participants** in September 2021.

The premiums recorded on Insurify's comparison platform are quoted via integrations with insurance companies.

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/2021/>.