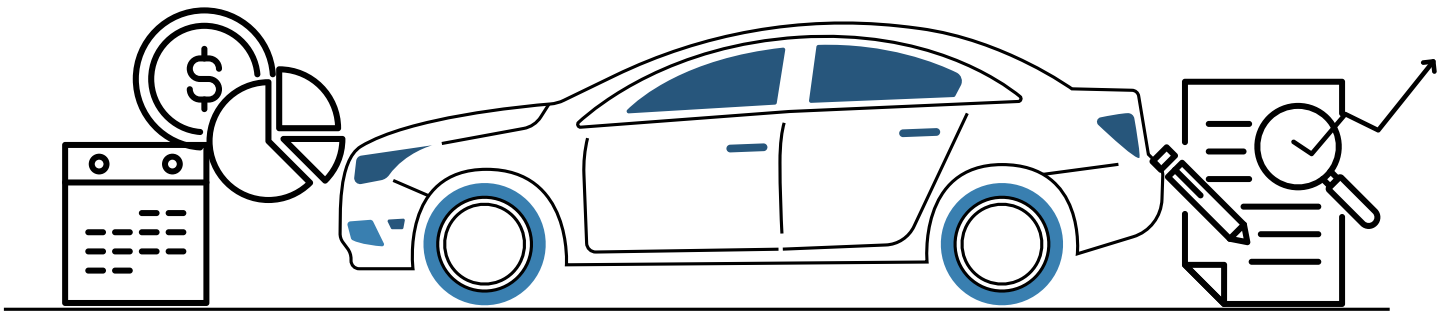


Why Are Auto Insurance Rates Rising?



Increasing auto insurance premiums have been troubling for policyholders and their wallets. According to statistics released in May 2023 by the U.S. Department of Labor, auto insurance premiums increased 17.1% in the previous 12 months. Although the cost of insurance may change each year for various reasons, this infographic can help shed light on current market factors influencing policies across the country right now:

- **Vehicle inventory**—While the availability of new cars has rebounded since the COVID-19 pandemic, inventory levels overall are still below average, and prices for used vehicles remain relatively high. As cars remain more costly, insuring them may be more expensive.
- **Higher repair costs**—Inflation, supply chain issues lingering from the pandemic, high demand at auto shops and a car technician labor shortage have contributed to increased repair costs and the related price of auto insurance claims.
- **Rising medical bills**—As health care costs have risen, auto insurance companies must pay more for medical services from MedPay and personal injury protection (PIP) coverage. Consequently, premiums have also increased.
- **Increased claims**—Car accidents and thefts have become more common in recent years, leading to more claims being filed against auto policies. As the number of claims rises, so too does the cost of insuring against them.

In response to rising auto insurance premiums, policyholders should consider the following ways to save on their rates:

 **Stay safe.**
Avoid blemishes on your driving record by practicing safe habits behind the wheel.

 **Take courses.**
Completing driving safety courses may unlock discounted premiums.



 **Bundle coverage.**
Purchasing multiple types of coverage from the same insurer may reduce overall costs.

 **Maintain good credit.**
High credit card balances, late payments and other negative effects on a policyholder's credit score may lead to higher premiums.



 **Reconsider policy details.**
Adjusting your coverage, such as increasing your deductible, may help limit premiums.

 **Drive less.** Insurers may consider how far a policyholder drives annually. By reducing mileage and reporting accordingly, costs may be decreased.



Even among increased rates, auto insurance remains a critical loss control measure for U.S. motorists. Insufficient coverage could lead to legal noncompliance penalties and, in the event of an accident, catastrophic out-of-pocket costs.

Contact us today to learn more about potential auto insurance discounts and other ways to save on your premiums.



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