

# AUTO INSURANCE TRENDS

In the last year, Auto insurance rates across the entire industry have been increasing. Inflation has possibly had the biggest impact – as the cost of goods and services went up, so too did the cost of protecting customers on the road. Here’s a look at some relevant trends and how they impact auto insurance rates.



## Motor vehicle insurance prices across the country increased +19.2% from Nov. 2022 to Nov. 2023

### HIGHER REPAIR COSTS AND TIME TO REPAIR

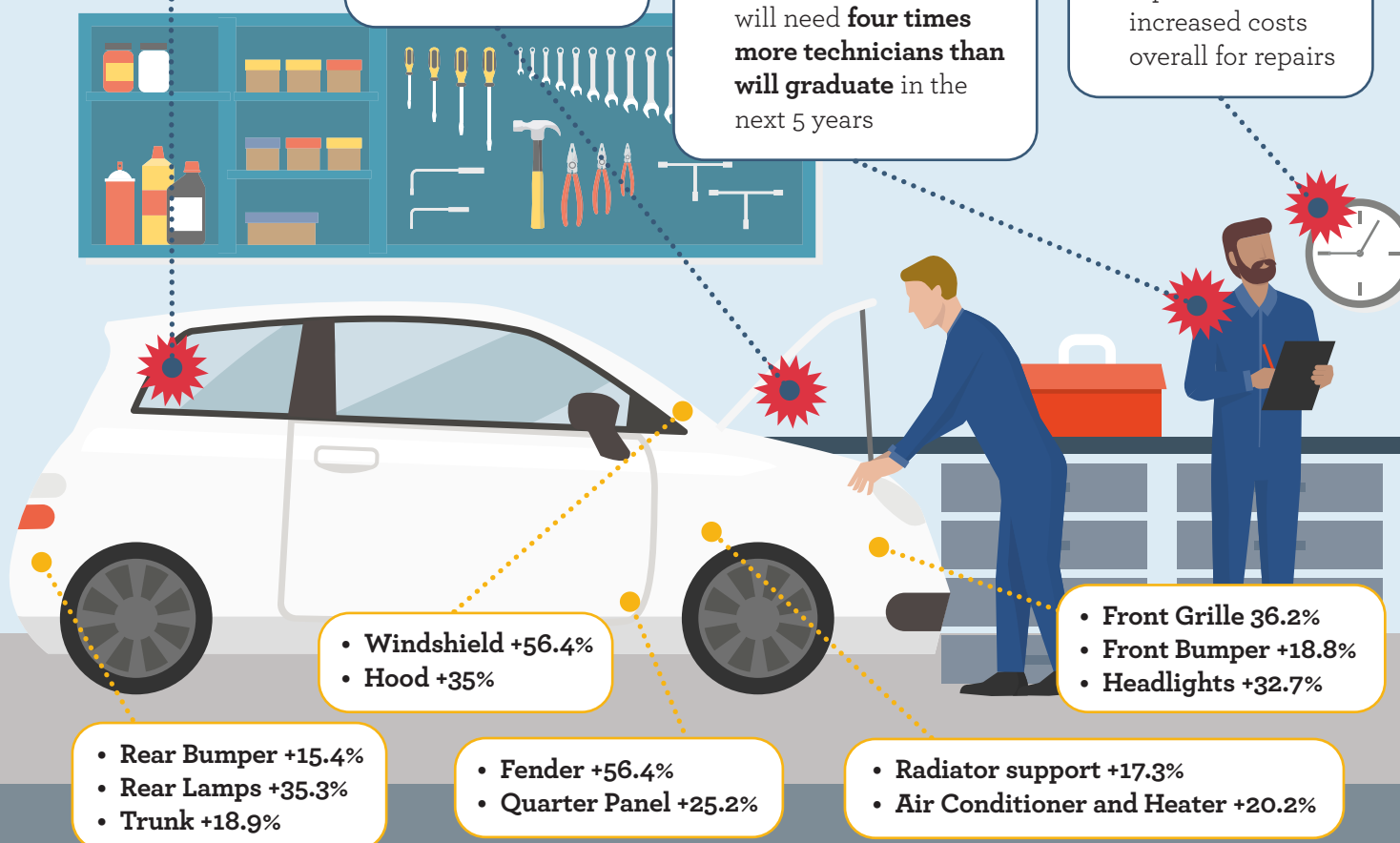
While new and used car pricing began to fall at the end of 2023, repair costs and time to repair are still climbing.

- Motor vehicle maintenance and repair costs are **up 10% over the past year**

- **85% of auto repair shops** are scheduling new work **two or more weeks into the future**

- **20% drop in graduates** completing programs in the automotive sector. Despite this drop there is an expectation the U.S. will need **four times more technicians than will graduate** in the next 5 years

- The automotive repair industry is **short 600,000 technicians**, leading to longer repair times and increased costs overall for repairs



# AUTO INSURANCE TRENDS (CONTINUED)

## INCREASED NUMBER AND SEVERITY OF ACCIDENTS

The number and severity of car accidents increased in recent years, leading to more, and more expensive insurance claims.

- Automobile fatalities dropped 0.3% from 2022 where they were at an all time high, but still remain elevated above levels seen pre-pandemic
- Speeding was a **contributing factor in 29% of fatal crashes up nearly 17%** from pre-pandemic

## RISE IN THEFT AND UNINSURED MOTORISTS

An increase in theft and uninsured motorists have made a major impact on costs experienced by auto insurance carriers.

- In 2023, the percentage of households that possess at least one vehicle and declare having no insurance on it **rose 0.4% to 5.7%**
- Vehicle thefts remained on the rise with stolen vehicles **up 7% year over year**
- The most recent reported data from the NICB saw **over 1 million vehicles stolen** in 2022, which was the most in the U.S. since 2008
- Hyundai and KIA car **thefts surged by more than 100%** since 2020 following a viral TikTok post exposed a security flaw in the vehicles
- **Social Inflation**, the trend of rising insurance costs due to increased litigation, plaintiff-friendly judgments, and higher jury awards, **has risen by 14%** over the past 10 years.



General Sources:  
<https://www.usinflationcalculator.com/inflation/united-states-core-inflation-rates/> November 2023  
National Highway Traffic Safety Administration, <https://www.trafficsafetymarketing.gov/>

Auto Sources:  
State of Auto Insurance 2023 - ValuePenguin  
U.S. Bureau of Labor Statistics, <https://www.bls.gov/news.release/cpi.toc.htm> October 2023  
Kelley Blue Book, October 2022  
<https://techforce.org/supply-demand-report/> October 2023  
JD Power, <https://www.jdpower.com/business/resources/auto-insurance-premiums-spike-some-american-drivers-choose-risk-being-uninsured>  
CCC, <https://www.cccis.com/news-and-insights/posts/5-collision-repair-trends-that-will-continue-to-impact-the-industry-in-2023>  
Highway Loss Data Institute  
CCC Intelligent Solutions 2023

© 2024 The Hartford. Printed in U.S.A. All information and representations herein are as of January 2024.

