

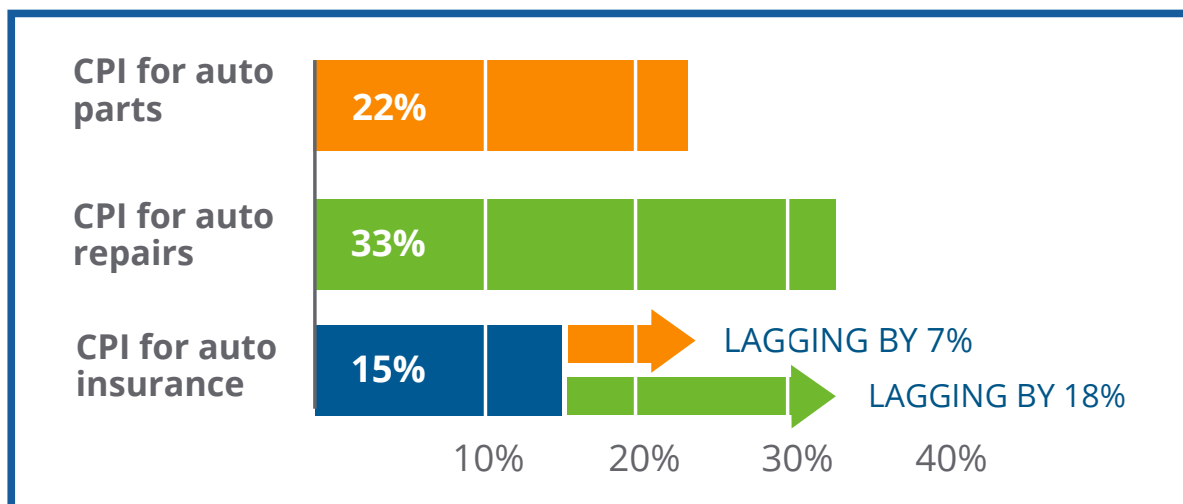
WHAT'S UP WITH AUTO RATES?

THE PRICES FOR SURE.

THE BIG PICTURE

Between April 2020 and April 2024, the Consumer Price Index (CPI) for all things auto rose, including auto insurance. However, personal auto insurance rates have lagged behind other cost increases. Current and future rate increases are intended to close that gap. The CPI measures price changes experienced by consumers for goods and services and is main factor in figuring inflation rates.

CONSUMER PRICE INDEX INCREASES APRIL 2020–APRIL 2024*



Source: [St. Louis Fed](#)

*Percentages rounded to the nearest whole number

INSURERS' RATES GO UP BECAUSE THEIR COSTS GO UP

Higher medical costs¹: From 2020 to 2022, medical care costs rose 31 percent.

More fatal accidents²: An estimated 44,450 people died in traffic accidents in 2023. That's a 4 percent decrease from 2022, but still 13.6 percent higher than pre-pandemic deaths in 2019.

Technology³: As cars get more technologically advanced, parts are more expensive to repair and replace. The average vehicle now has about 1,500 semiconductor chips; electric vehicles have nearly double that. The chips account for 45 percent of a vehicle's cost.

More volatile weather⁴ An average of 20 annual billion-dollar weather-related events were recorded between 2020 and 2022. In 2023 there were 28 events with losses that exceeded \$1 billion. Already in 2024 (as of June 10, and before many types of storms' typical seasons really get underway) there were 11 confirmed weather disasters in the U.S. with losses exceeding \$1 billion each.

Sources: ¹[CDC WISQARS Cost of Injury](#) | ²[National Safety Council](#), "NSC Estimates Traffic Crashes Took More Than 44,000 Lives in 2023," Feb. 26, 2024 | ³[Claims Journal](#) | ⁴[National Centers For Environmental Information](#), "Billion-Dollar Weather and Climate Disasters," as of June 10, 2024 | ⁵ [U.S. Bureau of Labor Statistics](#)

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