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# Auto insurance premiums are revving up again, and could surge 22% by year end

Auto insurance premiums are soaring. Here's why



By Megan Henney | FOXBusiness

## Auto insurance rates skyrocket

Nevada ranked the second highest auto insurance rates in the country, according to Insurify.

Surging auto insurance premiums are revving up again, keeping the financial pressure on millions of Americans nationwide.

A new report published by Insurify, an insurance comparison shopping site, shows the average U.S. rate for full auto insurance surged to \$2,329 in the first half of 2024. That marks a 15% increase from 2023 and a stunning 48% spike when compared with 2021.

By the end of 2024, the cost of coverage is expected to rise even further, to \$2,469, according to the report.

## AUTO INSURANCE RATES CONTINUE TO SKYROCKET WITH NO IMMEDIATE SIGNS OF RELIEF

In 2023, the average U.S. rate for full auto insurance surged to \$2,019.  
(REUTERS/Eduardo Munoz/File Photo / Reuters Photos)

Several factors have caused the spike in car insurance rates.

The price of both new and used cars rose sharply after the COVID-19 pandemic, the result of both supply chain disruptions and unseasonably high demand. As a result, vehicles are more expensive and costlier to replace, which has driven up the price of repairs.

On top of that, the country is grappling with a shortage of mechanics, which is driving auto repair costs even higher. One source, the TechForce Foundation, estimates the number of graduates completing post-secondary programs in the automotive sector has plummeted by 20% since 2020. The number of automotive technicians is projected to continue decreasing in the coming years.

### **HEALTH CARE COSTS FOR RETIREES CONTINUE TO SOAR**

Car insurance companies are also trying to make up for steep losses incurred in 2021, which saw a sharp rise in fatal car accidents.

"Insurer losses result from a combination of inflationary pressures – like the rising cost of vehicle repairs and the skyrocketing price of new cars – and unprecedented climate catastrophes that drive weather-related claims in states that haven't historically seen as much of this type of damage," the Insurify report said.

Vehicles for sale on a Volkswagen dealership lot in St. James, New York, on Sept. 21, 2022. (Steve Pfost/Newsday RM via Getty Images / Getty Images)

Auto insurance premiums are most expensive in Maryland, where the average yearly cost is \$3,400, and South Carolina, where it costs \$3,336. Both of those states saw legislative changes over the past year that increased insurers' financial responsibility. These changes, the report said, could contribute to higher premiums.

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