

The many factors driving auto insurance rates



Not only are driving patterns returning to pre-pandemic levels, repairs and replacements are more costly.
Here are some of the factors that may affect premiums moving forward.

20 separate \$1B+
loss events from
weather in 2021¹



Used car prices up 26.4%;
new car prices up 9.8%²

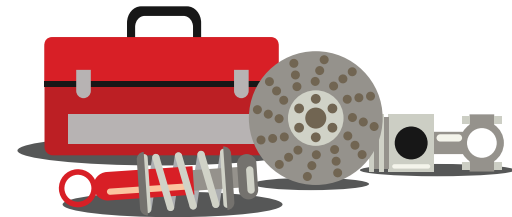
Supply chain issues
triggering shortage of
chips — and new cars³



Increase in severity
of auto accidents;
number of fatal car
crashes up 18.4%⁴

There are labor
shortages⁵ and wage
increases are up 9%⁶

Average car
insurance claim
costs up 20%;
parts costs up 6%⁷



¹NOAA National Centers for Environmental Information (NCEI) U.S. Billion-Dollar Weather and Climate Disasters (2022). <https://www.ncdc.noaa.gov/billions/>. ²Consumer Price Index, U.S. Bureau of Labor Statistics, Oct. 13, 2021; ³"A Tiny Part's Big Ripple: Global Chip Shortage Hobbles the Auto Industry", *The New York Times*, Oct. 14, 2021; ⁴National Highway Safety Traffic Administration (NHSTA), U.S. Department of Transportation; first six months of 2021 compared to 2020; ⁵2020 *Technician Supply & Demand Report*, TechForce Foundation; ⁶General automotive repair avg. wage +9% from 1Q21 to 2Q21, U.S. Bureau of Labor Statistics (BLS). ⁷*Impact of the Pandemic on the P&C Insurance Economy*, CCC Intelligent Solutions, Sept. 2021.