

# WHY ARE AUTO INSURANCE PREMIUMS INCREASING?



In the last five years, auto insurance premiums have increased by 21%, and insured losses have increased by 37%.<sup>1</sup>

The cost to repair or replace vehicles has increased with new technology and supplychain disruptions.

In the last five years, the average cost of a damage claim in Alabama has increased by 57%.<sup>2</sup>



Nationally, new vehicle cost is up 20% and used vehicle cost is up 34%.<sup>3</sup>

Cost of litigation is up 29% nationally.<sup>4</sup>

1. NAIC annual statement data, 2019-2023, accessed through S&P Global Capital IQ <https://www.capitaliq.spglobal.com/web/client?auth=inherit#office/screener?perspective=287>
2. Fast Fast Track Plus™ database <https://www.iss-statistical.net/docs/default-source/zmag-links/aboutfasttrackplus.pdf>
3. U.S. Bureau of Labor Statistics, Producer Price Index data, 2019-2023, accessed through Federal Reserve Bank of St. Louis. <https://fred.stlouisfed.org/series/CUUR0000SETA01>  
<https://fred.stlouisfed.org/series/CUSR0000SETA02>
4. U.S. Bureau of Labor Statistics, Producer Price Index data, 2019-2023, accessed through Federal Reserve Bank of St. Louis. <https://fred.stlouisfed.org/series/PCU54115411>