

AUTO

What's driving up the cost of auto insurance?



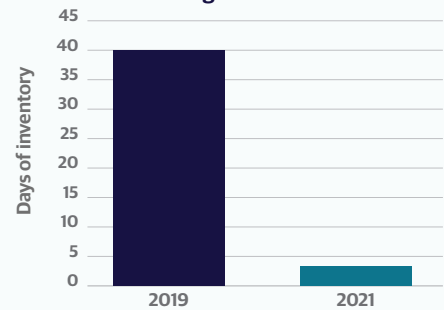
A confluence of market trends is making auto claims much more expensive, requiring insurance companies to increase what you pay for auto coverage.

Supply chain issues

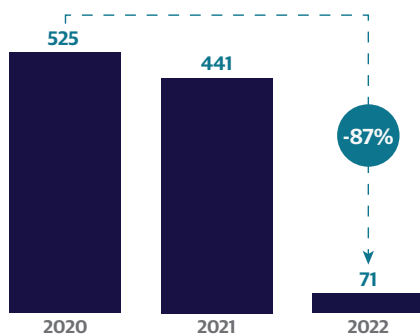
An ongoing shortage of semiconductor chips and other critical parts is making it more costly to repair or replace a vehicle after an accident. Chip scarcity in particular is forcing automakers to curb the production of new vehicles.

Source: U.S. Department of Commerce

Available chip inventory held by manufacturers, including automakers



Domestic auto inventories (thousands)



Fewer cars, higher prices

Supply chain issues are rapidly depleting inventories of new and used cars. Inventories have reached a critical low-point, falling 87% between 2020 and 2022. As a result, the average price of new cars has risen 14% over the same period, while used car prices have skyrocketed 55%.

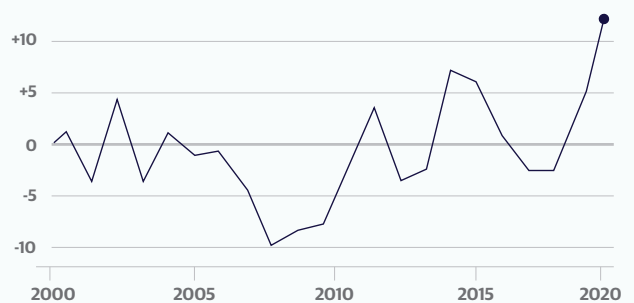
Sources: Federal Reserve Bank of St. Louis, Consumer Price Index

More frequent and severe accidents

In the first six months of 2021, nearly 2.5 million people sustained injuries requiring consultation with a medical professional. Accident fatalities in Jan. 2022 were 14% higher than in Jan. 2020. More frequent and severe auto accidents increase the number and cost of auto insurance claims.

Sources: National Safety Council, New York Times

U.S. traffic deaths per capita, annual percent change



You may qualify for policy discounts that could reduce your premium. Contact your independent agent to learn more.