

# 2023 Trends Driving Up Personal Auto Insurance Rates

The insurance industry is facing remarkable challenges. From increased claim severity to inflation, carriers and insureds are feeling the effects of these changes. WIN's member companies work to remain competitive in the marketplace and give policyholders the best rate possible. However, customers who receive a rate increase may be curious as to why they are experiencing a change.

The American Property Casualty Insurance Association (APCIA) recently released a report on the trends that are influencing rates for many policyholders across the nation. Here are some of their findings.



Vehicle repair and replacement costs have increased. Since September 2019, parts and equipment costs have gone up 23.8%.<sup>1</sup>



Medical and hospital costs are up. Cost increases for medical services have outpaced inflation over the last five years.<sup>2</sup>



Thefts have increased. There were more than 1 million vehicle thefts in 2022, up 7% from 2021.<sup>3</sup> Insurance claims for catalytic converter thefts increased from 16,660 in 2020 to 64,701 in 2022.<sup>4</sup>



Claim judgements are increasing and outpacing the inflation rate. From 2010 to 2020, personal injury judgments have gone up almost 320% (\$39,300 to \$125,366).<sup>7</sup> Insurance companies are facing a median lawsuit payout increase of nearly 25%, even after accounting for inflation.<sup>8</sup>



People are driving less yet collisions are more severe. When comparing claims from 2018 and 2022, the number of bodily injury claims dropped by 19%, yet the severity of the bodily injuries reported increased by 40%.<sup>5</sup> The average bodily injury costs rose from \$21,271 to \$24,603 (Q1, 2021 compared to Q4, 2022).<sup>6</sup>



Unsafe driving is increasing. Comparing 2020 to 2021, more drivers are admitting to unsafe driving habits: driving over the legal blood alcohol limit is up 23.7%; driving within an hour of using cannabis is up 13.6%; driving 15mph over the speed limit on the highway is up 12.4%; and running a red light is up 10.1%.<sup>9</sup>

Educating customers about these factors can help them understand that not every rate increase is due to personal factors and that many insurance carriers are dealing with these same challenges. One way you can help your customers is to make sure their personal information remains current and that they get every discount for which they qualify.

Thank you for your continued partnership and helping us make sure your customers are getting the right auto insurance at the best rate.

<sup>1</sup> American Property Casualty Insurance Association (APCIA), *Auto Insurance: The Uncertain Road Ahead*, June 2023, page 11.

<sup>2</sup> *Ibid.*, page 6. <sup>3</sup> *Ibid.*, page 13. <sup>4</sup> *Ibid.*, page 13. <sup>5</sup> *Ibid.*, page 10. <sup>6</sup> *Ibid.*, page 10. <sup>7</sup> *Ibid.*, page 6. <sup>8</sup> *Ibid.*, page 7. <sup>9</sup> *Ibid.*, page 4.

## Live Online Classes and Training Library of Prerecorded Videos Help Build Your Success

To help foster your success, the WIN Marketing department continues to expand the library of prerecorded training videos that are available anytime to help familiarize you and your agency staff with WIN's member insurance companies' products. Turn to page 3 in the newsletter for more information on the newest video available on the FCIC Illinois/Indiana FIRST Preferred Personal Auto Insurance Program. This informative training tutorial was designed to assist new staff who are not familiar with the FIRST Preferred requirements and quoting process. Additionally, to further aid in your success, if you would like to schedule a Teams or in-person training session, contact your SSM or email [WINMarketingSupport@WarriorInsuranceNetwork.com](mailto:WINMarketingSupport@WarriorInsuranceNetwork.com).

## Cutting-Edge Phone System Helps Keep Us Connected!

Warrior's new cutting-edge phone system offers many features, like automated call back, which directly impacts the service we provide to WIN's member insurance companies' customers. Additionally, Warrior's new phone system automatically sends a text message to our SMM's cell phone when you email them. This new feature helps keep our committed team of SMM in constant connection with our valued producer partners and helps ensure when you need assistance we can respond quickly.

If you have any questions or need anything, please contact your SMM or WIN Marketing Support at 708-552-4400 option 4 or email [WINMarketingSupport@WarriorInsuranceNetwork.com](mailto:WINMarketingSupport@WarriorInsuranceNetwork.com).

