

Bankrate

The Average Cost of Auto Insurance in the U.S. is \$1,771 in 2022



Boston Drivers Spend the Smallest Share of Income on Auto Insurance Each Year, Miami Drivers Spend the Largest Share of Their Income

New York – April 4, 2022 – Bankrate’s annual True Cost of Auto Insurance Report was released showing the current state of auto insurance across the country in 2022.

- Nationally, drivers spend an average of \$1,771/year on auto insurance which is 2.57% of the average household income.
- The percentage of income spent on auto insurance varies greatly from one metro-statistical area to another with Miami drivers spending 5.58% (\$3,508) of their income on auto insurance each year while Boston drivers spend just 1.35% (\$1,328) of their income on auto insurance.
- Adding a teen driver to a policy can be the most expensive life event for auto insurance consumers, causing an increase of \$2,081 to the average auto insurance premium (bringing the average national premium for these drivers to \$3,852).

Link to the full report: <https://www.bankrate.com/insurance/car/the-true-cost-of-auto-insurance-in-2022/>

Most and Least Expensive Metros for Auto Insurance

		True Cost Rank*	Metro Statistical Area (MSA)	% Of Household Income Spent on Car Insurance	Average Premium
Least Expensive Metros		1	Boston	1.35%	\$1,328
		2	Seattle	1.49%	\$1,426
		3	Washington D.C.	1.50%	\$1,664
Most Expensive Metros		23	Detroit	4.38%	\$2,872
		24	Tampa	4.94%	\$3,017
		25	Miami	5.58%	\$3,508

* Bankrate utilized current data from Quadrant Information Services to understand the average cost of auto insurance for every U.S. state and metro statistical area. Each location was assigned a “True Cost Rank” — a score between one and 50 for states and one and 25 for most populous metro areas. The lower the ranking, the smaller percentage of total income drivers spend on car insurance premiums.

“Households’ transportation budgets are already under significant financial strain amid the highest inflation in 40 years, and almost every facet of driving is getting more expensive,” says Sarah Foster, Bankrate Analyst. “Used and new vehicles prices are up 41.2% and 12.4% from a year ago, respectively. Tire prices are up 15.4%, vehicle parts and equipment rose 11.3%, and Americans in March paid the highest prices on record at the gas pump. Inflation in motion tends to stay in motion:

Insurance companies are already responding by increasing their premiums, underscoring the importance of shopping around if you live in one of these costlier metro areas.”

Bankrate’s True Cost of Auto Insurance Report outlines how everyday life events impact auto insurance premiums in all 50 states and the top 25 largest metro-statistical areas. While adding a teen driver to a policy is notably the most expensive life event for drivers (adding \$2,081 to the average annual premium), other life events such as getting a speeding ticket and decreasing credit scores can add up quickly as well:

Most and Least Expensive Metros for “Life Event” Premium Changes

Life Event	Added Average Cost in the U.S.	Added Cost to Premium in Most Expensive Metro	Added Cost to Premium in Least Expensive Metro
Credit score decreases from ‘good’ to ‘poor’	\$1,231	Detroit - \$4,300	Seattle - \$58**
Receives a speeding ticket	\$367	Los Angeles - \$883	San Antonio - \$152
Involved in a car accident	\$750	San Francisco - \$1,432	New York - \$513
Has a lapse in auto insurance coverage	\$178	Miami - \$575	Charlotte - \$124**
Convicted of a DUI	\$1,650	Detroit - \$4,746	San Antonio - \$913
Adds a teenage driver to policy	\$2,081	Detroit - \$3,739	Portland - \$1,827

**These locations are part of states that do not prohibit auto insurance carriers from changing premiums due to these life events. Drivers in metro-statistical areas within the state of California will not experience any increase in their premiums for credit score decreases or lapses in coverage due to state laws.

“The usual financial wisdom holds true, even when discussing car insurance,” adds Foster. “Vendors often reserve their most competitive rates for consumers with a high credit score and strong borrowing history. Drivers will also want to shop around and compare different rates to make sure they’re getting the best deal on the market.”

Methodology:

Bankrate utilizes Quadrant Information Services to analyze 2022 rates for all ZIP codes and carriers in all 50 states and Washington, D.C. Rates are weighted based on the population density in each geographic region. Quoted rates are based on a 40-year-old male and female driver with a clean driving record, good credit and the following full coverage limits:

- \$100,000 bodily injury liability per person
- \$300,000 bodily injury liability per accident
- \$50,000 property damage liability per accident
- \$100,000 uninsured motorist bodily injury per person
- \$300,000 uninsured motorist bodily injury per accident
- \$500 collision deductible

- \$500 comprehensive deductible

Our base profile drivers own a 2020 Toyota Camry, commute five days a week and drive 12,000 miles annually.

These are sample rates and should only be used for comparative purposes.

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