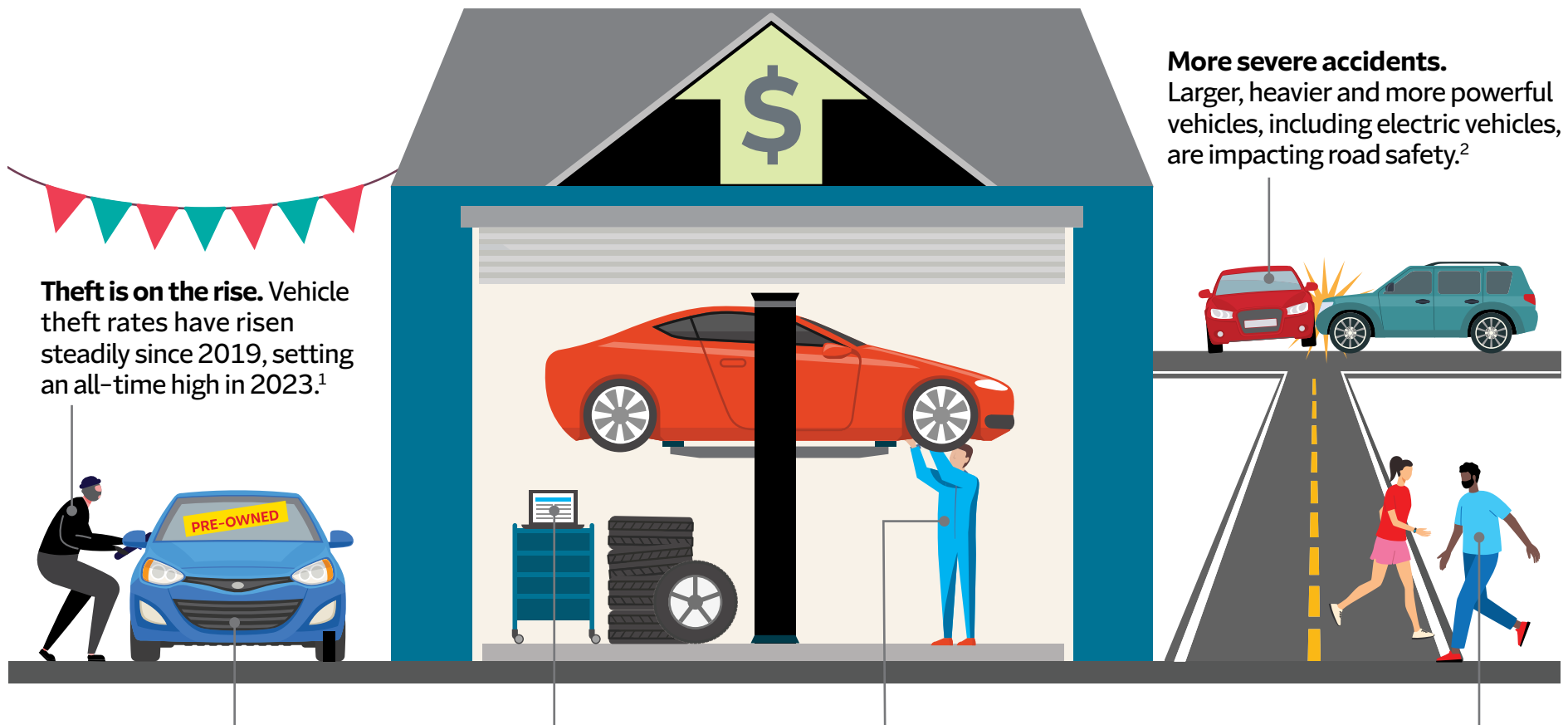


Understanding auto insurance rate pressures.

Various factors are causing the cost to repair, replace and insure cars to rise.

Auto insurance rates continue to rise due to economic and environmental trends such as labor shortages, more severe accidents and increasing repair costs. Here are some factors contributing to these premium increases.



Theft is on the rise. Vehicle theft rates have risen steadily since 2019, setting an all-time high in 2023.¹

Used cars: Prices have increased by an average of 47.9% as of Q3 2023.³

Technological changes, like advanced driver assistance equipped vehicles, can cost up to 37.6% more to repair due to the sensors and calibration.⁴

Labor shortages are driving repair costs. It is projected that 495,000 auto technicians are needed to meet demand through 2027.⁵

Traffic fatalities: Motor vehicle crashes caused an estimated 18,720 deaths in the first half of 2024.⁶

¹ National Insurance Crime Bureau, "Vehicle Thefts Surge Nationwide in 2023," <https://www.nicb.org/news/news-releases/vehicle-thefts-surge-nationwide-2023>; ² U.S. News & World Report, "Crash Tests Indicate Nation's Guardrail System Can't Handle Heavy Electric Vehicles," <https://www.usnews.com/news/us/articles/2024-01-31/preliminary-test-crashes-indicate-the-nations-guardrail-system-cant-handle-heavy-electric-vehicles>; ³ Edmunds, "Q3 2023 Used Vehicle Report," <https://static.edmunds-media.com/unversioned/img/industry-center/press/lp-promos/2023-q3-edmunds-used-vehicle-report.pdf>; ⁴ AAA, "Fixing Advanced Vehicle Systems Makes Up Over One-Third of Repair Costs Following a Crash," <https://newsroom.aaa.com/2023/12/fixing-advanced-vehicle-systems-makes-up-over-one-third-of-repair-costs-following-a-crash/>; ⁵ Midwest Automotive Parts & Service Association, "U.S. Senate holds hearing on youth apprenticeships," http://www.midwestapsa.org/aww/MAPSA/pt/sd/news_article/559016/_PARENT/layout_details/false; ⁶ Reuters, "US awards \$1 billion for road safety projects as traffic deaths remain high," <https://www.reuters.com/world/us/us-awards-1-billion-road-safety-projects-traffic-deaths-remain-high-2024-09-05/>