



How are auto insurance rates determined?

Unfortunately prices are going up everywhere. Whether it is your electric bill or higher prices at the gas pump – rising costs are affecting everyone. Many factors determine what you pay for insurance, but rates are primarily based on a few factors. The first is risk, followed by costs to repair your vehicle or other’s property damage. Another factor is to cover the medical expenses of you or a loved one in the event of an accident.

Some of the other factors that can change your insurance rate:



Driving record

Speeding tickets, a DUI, or any moving violation.



Policy changes

Policy changes, such as adding a newly licensed driver, may increase insurance costs.



New car

Adding a new car may cause premiums to increase as new cars are more costly to repair or replace when there is a claim.



Overall claim trends

In recent years, speeding, distracted driving, and impaired driving, have increased the number of accidents, which drives up rates overall for auto insurance.



At-fault accident

At-fault accidents can be an indicator of a driver’s potential for future at-fault accidents.



Inflation

Just like everyone else, insurance companies are paying more for things like auto parts, labor, rental rates and medical fees. In some cases, auto accident and repair costs are escalating much higher than the rate of inflation.



More complex cars

Newer cars feature safety sensors, entertainment systems and special technology to make it all work. This increases the cost to repair or replace vehicles.



Loss of discounts

Some discounts are required to be validated annually or the driver may need to reapply for the discount, such as providing a report card for a good student discount.

What can you do to lower your insurance costs?

With MAPFRE you don’t have to worry about the “what ifs,” as we strive to provide you with an excellent customer experience allowing you to focus on what’s important to you and the road ahead. We want to ensure you have the right protection and that you are taking advantage of the many credits, discounts and added coverages we offer, such as:

- Bundle your Auto and Home Discount
- Paid-in-Full Discount
- Good Student Discount
- Student Away from Home Discount
- **Elite Added Coverage:** Features new car replacement, additional towing and labor benefits, OEM parts, emergency travel expenses and more!
- **Loan Lease Added Coverage:** Pays the difference between the actual cash value of your vehicle and the unpaid balance on your loan or lease if your vehicle is totaled.

Sources

Insurance Information Institute (III). Why did my auto insurance costs go up even when I didn’t file a claim? Bhat, Varada. Auto Claim Frequency Trends Higher as Traffic Rebounds. P&C Specialist. August 2, 2021.
Brewer, Contessa. Auto insurance rates rise, but insurers could still get squeezed by higher costs ahead. CNBC. June 12, 2021.
National Conference of State Legislatures. Traffic Safety: 2020 Impaired-Driving Trends to Watch. September 2, 2020.