

Macro Roundup Article

Headline: [Why Is Car Insurance So Expensive?](#)

Article Link: <https://www.nytimes.com/2024/05/15/business/car-insurance-cost-inflation.html>

Author(s)	Emily Flitter
Publication	New York Times
Publication Date	May 16, 2024

Tweet: Motor vehicle insurance costs rose 22% in the 12 months through April 2024, the fastest pace since the 1970s, as insurers offset a \$50B industry loss in 2022-23.

Summary: The price of motor vehicle insurance rose more than 22% in the year through April, the fastest pace since the 1970s, according to the Bureau of Labor Statistics. According to calculations by the Insurance Information Institute, a trade group, the average 12-month premium for car insurance was \$1,280 in 2023, the industry's most recent figures. In 2021, insurers' personal auto businesses started recording losses. According to David Blades, an analyst for AM Best, the industry lost \$4 billion in 2021, \$33 billion in 2022, and roughly \$17 billion last year. According to Dale Porfilio, the chief insurance officer at the Insurance Information Institute, the trade group, many companies still need to raise prices to make up for those bad years. Last year, insurers raised auto premiums by 14%, the biggest increase in over 15 years. Mr. Porfilio's best guess is that premiums this year will rise another 13%.

Related Articles: April Flowers, Not Showers and Buying Home and Auto Insurance Is Becoming Impossible and Just How Bad Is the US Cost-of-Living Squeeze? We Did the Math

Primary Topic: Inflation

Topics: GDP, Inflation, News article, Politics

Permalink: <https://www.edwardconard.com/macro-roundup/motor-vehicle-insurance-costs-rose-22-in-12-months-through-april-2024-the-fastest-pace-since-the-1970s-as-insurers-offset-a-50b-industry-loss-in-2022-23?view=detail>

Featured Image Link: <https://www.edwardconard.com/wp-content/uploads/2024/05/21048-why-is-car-insurance-so-expensive-featured-thumbnail-image.png>