

### **Factors that Affect Auto Premium Rates**

There are a three main reasons for this: regulations, risk, and coverage. Insurance is regulated at the state level. Each state has different rules governing how insurance companies calculate their premiums. Risk is also assessed geographically based on varying environmental and demographic factors. Also, the minimum coverage requirements vary by state. In Michigan, the minimum bodily injury liability coverage per person is \$50,000. In California, the minimum bodily injury liability coverage per person is \$15,000.