

“What Determines the Cost of My Auto Insurance?”

Auto insurance premiums are determined using a wide variety of factors.*

In general, auto insurers factor in information about:

Your Car >>>

What and how much you drive

- **Why?** Some cars are more expensive and costlier to repair than others—and the more miles you drive, the more likely you are to have a crash.

Where your car lives

- **Why?** Densely populated places tend to have more crashes, thefts and vandalism. Also, medical and litigation costs are higher in some states than others.

You >>>

Your driving record

- **Why?** Those with clean driving records generally pay less.

Your sex, age, and credit history**

- **Why?** Women get into fewer crashes; younger, inexperienced drivers get into more of them.



Your Coverage >>>

The amount and type of coverage you have

- **Why?** Some types of coverage, like liability, are mandatory in most states, but others are optional (e.g. collision, comprehensive). Other decisions, like deductibles, are up to you.

The Bottom Line >>>

Auto insurance is a competitive business—and that means consumers have choices. That’s why the I.I.I. encourages everybody to shop around for the policy that best fits their needs and budget.

*Not all companies use all of these factors, and some might use factors not listed here.

**47 states allow insurers to use credit as a valid tool to predict the likelihood of a claim being filed.

