



Know Your Insurance

Auto

Courtesy of HGI Solutions

Navigating the Auto Insurance Market in 2024

Like most people, you may have seen your car insurance premiums increase this year even if you haven't had any auto accidents in the past 12 months. The personal car insurance industry is currently in a hard market, meaning the price of insurance is higher than usual. Numerous factors can drive up the cost of car insurance; some of the main contributors right now include the following:

- Inflation
- Supply chain issues
- Increased claims
- Costlier repairs
- Fewer repair technicians
- Rising medical costs
- Higher reinsurance rates

Summarily, inflation in recent years has driven up prices for many things, including vehicles, their parts and their repair costs. These aspects were already impacted by slow supply chains, catastrophic weather events, record car thefts and labor shortages. As the price of goods and services increases, so too can the cost of insurance.

In basic terms, insurance companies need to raise prices to pay for claims. If they don't raise prices, they might not have the money to cover all the policies they issue, resulting in serious legal consequences for the insurer and financial ruin for many policyholders. Even safe drivers may see their premiums increase in a hard market as insurers look for ways to offset their own rising costs.

In 2024, as drivers struggle to find affordable coverage that suits their needs, the guidance of an experienced insurance agent will be invaluable in navigating the auto insurance landscape. Keep reading to discover how an agent can assist in securing budget-friendly auto insurance.

Tips for Auto Insurance Buyers in 2024

Drivers can't control many of the reasons auto insurance rates go up, but there are some things you can do to try and keep your insurance costs under control:

- **Join safe driving programs** if you drive cautiously, but remember that risky habits may lead to higher premiums.
- **Consider a higher deductible** for lower regular premium payments, balancing immediate savings with potential future costs.
- **Periodically review and adjust coverage**, dropping optional coverages if your car is older or not financed.

- **Compare quotes** from different providers with similar coverages, limits and deductibles to find the best deal.
- **Consider usage-based insurance (UBI)** if you drive infrequently and safely.
- **Complete a defensive driving course** for potential discounts and improved skills.
- **Select a car with lower insurance costs** based on safety, theft likelihood and repair expenses.
- **Improve your credit score** to reduce insurance rates in states where insurers can use credit scores to help determine premiums.
- **Keep young drivers on a parent's policy** for potential cost savings.
- **Use a secured parking spot in a garage** if possible, especially in high-risk areas.
- **Check for discounts** for being a member of certain groups such as professional organizations or alum groups.

Your insurance agent is here to assist you in uncovering potential discounts and tailoring your auto policy to match your coverage requirements. Reach out to HGI Solutions today to learn more about market factors driving up prices and for help finding applicable discounts. Our team can help you get the auto insurance coverage you need for appropriate financial protection at favorable rates.