

Auto insurance rates vary widely for same driver

By Becky Yerak

Tribune staff reporter

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The nation's biggest insurance companies charge wildly different prices to similar, or even the same, drivers in the same city, a new study shows.

In Chicago, as well as 14 other cities, "good" drivers -- with no accidents or moving violations -- are quoted what the Consumer Federation of America says are high auto insurance rates for the minimum liability coverage required by states.

But those quotes are highly variable.

In Chicago, for example, Web quotes to the same hypothetical woman ranged from \$680 a year for Geico to \$1,806 from Allstate. Progressive and State Farm quoted \$832 and \$734, respectively, CFA found.

It gathered quotes for two hypothetical customers: the man hadn't had a moving violation or accident in seven years, nor the woman in 12 years. Both had good credit ratings, were single with one dependent, rented in areas with median income around \$30,000, had a high school degree, and drove a paid off 2002 Honda Civic with 10,000 miles on it. He was a 27-year-old laborer, and she was a 35-year-old bank teller.

In Chicago, the man's quotes ranged from \$637 for Geico to \$1,910 for Allstate. Progressive's quotes were \$867 and \$1,582, respectively.

"It's difficult to understand why the same driver is being quoted rates from different insurers that vary so considerably," CFA Executive Director Stephen Brobeck said. "Insurers say rates reflect risk and cost, but if this in fact is the case, why do their assessments of these factors differ so radically?"

More than half of the rate quotes on Web sites to the two drivers were over \$1,000, and 32 percent of the quotes exceeded \$1,500, [the study said](#).

Allstate didn't have an immediate comment.

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[Survey Finds Auto Insurance Rates Higher for Low-Income Drivers](#)

Posted on 06/18/2012 by [Carole Fleck](#) | Money and Work | [10 Comments](#)



You may be a good driver but if you live in a moderate- or low-income neighborhood, you're probably paying higher auto insurance rates than people who live in upscale parts of town, as [much as \\$1,500 just for minimal liability coverage](#).

Those are the disturbing findings of a [new survey](#) of four of the largest auto insurers in 15 cities. Between them, the companies hold half of all policies in the country.

The Consumer Federation of America went to the websites of Geico, State Farm, Allstate and Progressive and elicited rate quotes for men and women by plugging in the same data. Each person was single with one dependent, lived in a moderate income ZIP code and was a high school graduate with a low-income job. And each had an outstanding driving record with no accidents or moving violations.

Rates were requested for minimal liability (which usually covers bodily injury costs to some extent) with no comprehensive coverage (you would not be paid for the car's value if you totaled it).

Quotes varied wildly. For example, in one city price quotes from these companies for the woman ranged from \$762 to \$3,390.

J. Robert Hunter, CFA's director of insurance and a former Texas Insurance Commissioner, says a [good competitive market](#) has a premium price range of just 15 to 20 percent. "This proves there's not much competition in these [low-income] areas," he says. Higher-income neighborhoods do have competition, driving down the rates.

Louisville, Ky., Boston, Mass., Baltimore, Md., and Miami, Fla., had the highest rates at more than \$2,000 per policy.

Hunter called on the state insurance commissioners to investigate this disparity and examine the fairness of the ratings factors that insurers are allowed to use, such as credit score, education, ZIP code and income level.

“This is a serious issue, one that tremendously disadvantages low- to moderate-income families,” Hunter says.

But a spokesman for an industry group takes issue with the survey, saying it doesn’t draw any conclusions.

“It may be that certain companies are less interested in writing business in certain ZIP codes in certain cities than other insurers,” says Robert Detlefsen, vice president for public policy at the National Association of Mutual Insurance Companies, which represents 1,400 insurers. “But the real question for consumers is how much does it cost to buy a minimum liability insurance policy if my objective is to find the cheapest coverage available in the market?”

Marty Schwartz, president of the non-profit Vehicles for Change, which makes inexpensive cars available to lower-income families, says automobiles are the “number one poverty-fighting tool” for such households. He says average annual wages go up by about \$7,000 a year when a family owns a car and can use it to get to work.

“The biggest barrier to car ownership for many lower-income drivers is not the price of the car but the price of car insurance,” Schwartz says. “Insurance charges often exceed the cost of car payments. This is an important reason that some drive without insurance.”

Some 14 percent of drivers nationwide do not carry insurance coverage, according to the latest estimates by the Insurance Research Council.

The Paramus Post

Auto Insurers Charge High And Variable Rates For Minimum Coverage To Good Drivers From Moderate-Income Areas

By [mel fabrikant](#) Monday, June 18, 2012, 04:39 PM EDT

State Insurance Commissioners Urged to Investigate High Rates and Take Measures to Make Auto Insurance Affordable for All Good Drivers

Research released today by the Consumer Federation of America (CFA) reveals that most good drivers -- those with no accidents or moving violations -- who live in moderate-income areas in 15 cities are being quoted high auto insurance rates by major insurers for the minimum liability coverage required by those states. Over half (56%) of the rate quotes to two typical moderate-income drivers were over \$1000, and nearly one-third of the quotes (32%) exceeded \$1500.

The research, which uses the websites of the four largest auto insurers nationwide -- State Farm, Allstate, Progressive, and GEICO -- also reveals that rate quotes are often highly variable: Quotes to the same consumer differ considerably. For example, in one city price quotes from these companies to the same woman ranged from \$762 to \$3390.

"It is difficult to understand how insurers can justify charging more than \$1000 a year for minimum insurance coverage to drivers who have perfect driving records for many years," said CFA Executive Director Stephen Brobeck. "It is also difficult to understand why the same driver is being quoted rates from different insurers that vary so considerably. Insurers say rates reflect risk and cost, but if this in fact is the case, why do their assessments of these factors differ so radically?"

J. Robert Hunter, CFA's Director of Insurance and former Texas Insurance Commissioner, called on state insurance commissioners to thoroughly investigate these issues: "Given the fact that all states except New Hampshire require drivers to carry auto insurance, insurance commissioners have the responsibility to ensure that these drivers are charged fair, affordable rates. Our research suggests that most rates charged moderate-income drivers are neither fair nor affordable."

This auto insurance rate research followed up the release last January of CFA's report, "Lower-Income Households and the Auto Insurance Marketplace: Challenges and Opportunities." Among the findings of this extensive study, based on government, industry, and academic research and data, were:

- For the large majority of lower-income households, academic research clearly indicates, automobile ownership greatly increases economic opportunities, particularly access to jobs.
- The minimum liability insurance that drivers in all but one state are required to purchase

effectively provides no real benefit to them except compliance with the law. The coverage pays only the costs incurred by other drivers who are hit by the insured.

- Auto insurance premiums reflect not only considerable disparate impacts on low- and moderate-income households but also some discriminatory treatment.
- The high premiums and disparate treatment help explain why an estimated one-quarter to one-third of lower-income drivers are uninsured.

High Auto Insurance Rates Largely Explain High Uninsured Rates

A recent survey commissioned by CFA and administered by ORC International highlights the relationship between high rates and the uninsured. In this survey of more than 1000 representative adult Americans conducted June 7-10, 13 percent of respondents said they know someone "who drives without insurance." (This percentage was 22 for those with incomes between \$25,000 and \$50,000.) And among those who did know someone who drives without insurance, nearly four-fifths (79%) agreed that "they [the uninsured drivers] do so because they need a car but can't afford the insurance."

Marty Schwartz, longtime President of Vehicles for Change, which makes reliable inexpensive cars available to lower-income families, did not find this surprising: "The biggest barrier to car ownership for many lower-income drivers is not the price of the car but the price of car insurance. Insurance charges often exceed the cost of car payments. This is an important reason that some drive without insurance."

"Rather than reducing uninsured driving by increasing insurance affordability, many states are ramping up criminal penalties," said CFA's Hunter. "Fourteen states now even have jail penalties for driving without insurance coverage. For a start, they should lower the required minimum coverage and take action to ensure that this coverage is being fairly priced. Our earlier research suggests that it often is not."

The latest estimates (2009) by the Insurance Research Council are that 14 percent of drivers nationwide do not carry insurance coverage. All research focusing on income differences has found that those with lower incomes are much more likely to be uninsured than those with higher incomes.

Most Rate Quotes Are High and Vary Widely

CFA's research on rates sought quotes for minimum liability coverage from the websites of the four largest auto insurers. State Farm, Allstate, Progressive, and GEICO have 48 percent of the auto insurance market nationwide and more than 60 percent of the market in a number of states, including three that we surveyed -- Florida, Maryland, and the District of Columbia.

CFA created two hypothetical consumers. Both had good driving records, with no accidents or moving violations in the seven years (man) and 12 years (woman) they had driven. Both also had good credit ratings, were single with one dependent, rented in moderate-income areas (median income around \$30,000), had a high school degree, and drove a paid-for 2002 Honda Civic

10,000 miles a year. He was a 27-year old laborer, and she was a 35-year old bank teller. (About one-third of U.S. households have annual incomes less than \$30,000.)

The 15 cities surveyed were selected to ensure regional and size diversity. They are Boston MA, Washington DC, Baltimore MD, Atlanta GA, Miami FL, Charleston WV, Louisville, KY, Chicago IL, Sioux Falls SD, Denver CO, Houston TX, Phoenix AZ, Las Vegas NV, Los Angeles CA, and Oakland CA.

As can be seen from the following summary of the price quotes:

- Over half (56%) of the dollar quotes are at least \$1000, while nearly one-third (32%) are at least \$1500.
- There are more rate quotes at \$3000 and over (4) than under \$500 (3).
- The man was quoted somewhat higher rates overall than the older woman but the difference, surprisingly, is not very large -- 57 percent of the man's quotes, and 53 percent of the woman's quotes, were at least \$1000. And all quoted rates \$3000 and over were to the woman.

Rates Quoted in 15 Cities To Man To Woman Both

\$3000 and up 0 4 4
\$2000-2999 8 5 13
\$1500-1999 11 7 18
\$1000-1499 12 13 25
\$500-999 21 24 45
Under \$500 1 2 3
No Quote 6 4 10
Insurance Not Available 1 1 2

As can be seen from the following specific annual price quotes, there are often substantial differences among rates quoted by the four insurers to either the man or the woman in the same city. In fact, in 13 of 30 instances (15 cities for the man and the woman), this price range exceeds \$1000.

Rates Quoted to Man Prog State Farm Allstate GEICO

Boston 2058 NA NQ 2290
Baltimore 2152 NQ 2020 1288
Washington DC 1738 1335 1644 1352
Atlanta 1334 NQ 1430 524
Miami 1978 2430 NQ 1759
Charleston 891 961 1596 620
Louisville 1723 1482 2220 1760
Chicago 876 1582 1910 637
Denver 795 NQ NQ 582
Houston 1092 1999 1426 760
Sioux Falls 718 595 624 325
Phoenix 1281 1390 1644 610

Las Vegas 978 1462 1510 780
Los Angeles 1078 2278 922 841
Oakland 844 2049 700 681

Rates Quoted to Woman

Boston 1274 NA 1740 2067
Baltimore 2704 1801 NQ 804
Washington DC 1260 1335 1622 1400
Atlanta 1670 921 1326 448
Miami 2822 2203 NQ 3457
Charleston 951 905 1714 598
Louisville 2130 1425 3354 1827
Chicago 832 734 1806 680
Denver 929 NQ 1028 575
Houston 1242 1292 1388 551
Sioux Falls 712 553 660 318
Phoenix 1449 981 3458 609
Las Vegas 1160 1300 3390 762
Los Angeles 800 600 676 649
Oakland 638 NQ 500 589

CFA Urges State Commissioners to Address This Issue

CFA is sending this research to all state insurance commissioners and urging them to do their own research to learn if low- and moderate-income drivers, with good driving records, are being charged rates that are high, unfair, and unaffordable.

CFA's January report suggested several steps these commissioners could take to make rates lower, fairer, and more affordable:

- Urge state legislatures to lower required minimum liability coverage then make certain insurers are charging fair rates for this coverage. The earlier report found that in some instances consumers were being charged more for less liability coverage.
- Eliminate disparate treatment that effectively discriminates against lower-income and minority families. For example, prohibit the use of rating factors such as occupation and education. Additionally, require that those who drive the least -- e.g., low-income households -- be charged lower rates.
- Create programs in which good low- and moderate-income drivers can purchase required liability coverage for affordable rates. California has such a program with rates that are usually lower than \$300 a year and that covers the program's costs with no subsidy from other drivers.

The Consumer Federation of America is an association of nearly 300 nonprofit consumer groups that was established in 1968 to advance the consumer interest through research, advocacy, and education.



Minimum Auto Insurance for \$2,278? Only in L.A.

By [Dennis Romero](#) Mon., Jun. 18 2012 at 12:19 PM

If you ever thought that your car insurance company pretty much charges you whatever it can get away with, you might be right.

A new survey by Consumer Federation of America (CFA) reveals that good drivers in moderate-income areas are sometimes charged more than \$1,500 a year for *minimum* liability coverage. Yeah.

The results of its survey were revealed today by the CFA:

The organization looked at the rates of State Farm, Allstate, Progressive and GEICO in 15 cities, including Los Angeles. It found that a woman received wildly differing rate quotes -- from \$762 to \$3,390 -- for the same coverage. Wow.

According to the data, more than half the quotes were at least \$1,000. Almost a third (32 percent) were \$1,500.

In L.A., the company with the lowest quote for a male driver was GEICO with \$841. The highest quote was \$2,278 (for minimum coverage!?) from State Farm. An L.A. female driver came in with a lower and more consistent quote range -- \$600 (State Farm) to \$800 (Progressive).

Read more [here](#).

Here's the federation's conclusion, a real pisser:

The minimum liability insurance that drivers in all but one state are required to purchase effectively provides no real benefit to them except compliance with the law.

Yep. Just as you suspected. Money for nothin'. And you're obligated.

So, if you wonder about the rash of hit-and-runs in Los Angeles, maybe this explains it. According to a CFA statement:

The high premiums and disparate treatment help explain why an estimated one-quarter to one-third of lower-income drivers are uninsured.

California actually has a \$300-a-year minimum liability insurance program for low- and moderate-income drivers. CFA wants other states to follow suit.

J. Robert Hunter, CFA's director of insurance:

Insurance commissioners have the responsibility to ensure that these drivers are charged fair, affordable rates. Our research suggests that most rates charged moderate-income drivers are neither fair nor affordable.

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Rates for Good Drivers in Cities Too High, Too Variable, Says Consumer Group

The Consumer Federation of America (CFA) says that most good drivers — those with no accidents or moving violations — who live in moderate-income areas in 15 cities are being quoted what the group maintains are high auto insurance rates by major insurers for the minimum liability coverage required by those states. More than half (56 percent) of the rate quotes to two typical moderate-income drivers topped \$1,000, and nearly one-third of the quotes (32 percent) exceeded \$1,500.

CFA said its research, which used the websites of the four largest auto insurers nationwide — State Farm, Allstate, Progressive, and GEICO — also revealed that rate quotes are often highly variable. Quotes to the same consumer differ considerably. For example, in one city price quotes from these companies to the same woman ranged from \$762 to \$3,390.

“It is difficult to understand how insurers can justify charging more than \$1,000 a year for minimum insurance coverage to drivers who have perfect driving records for many years,” said CFA Executive Director Stephen Brobeck. “It is also difficult to understand why the same driver is being quoted rates from different insurers that vary so considerably. Insurers say rates reflect risk and cost, but if this in fact is the case, why do their assessments of these factors differ so radically?”

But insurers said it's not that difficult to understand why the same good driver might receive price quotes ranging from \$700 a year to more than \$1,900 as the CFA report cited.

"The CFA wants to know why the same person, with a good driving record, is receiving price quotes that vary so widely. The answer is simple. The markets for auto insurance are highly competitive. In addition, the experience of insurers in these markets will differ, leading insurers to price the risk of a prospective policyholder differently," said Dr. Robert Hartwig, president of the industry-backed Insurance Information Institute (III) and an economist.

Hartwig also noted that the CFA research looked at coverage for what a policyholder is legally obligated to pay as the result of bodily injury or property damage to another person. Bodily injury and property damage related insurance claims payouts are generally higher in U.S. cities compared to payouts in suburban and rural communities, according to the III, which said the CFA study did not explore this issue.

"More importantly, increases in the cost of auto insurance nationwide remain in line with the Consumer Price Index (CPI), rising by less than 3 percent so far in 2012," Hartwig added.

J. Robert Hunter, CFA's director of insurance and former Texas insurance commissioner, called on state insurance commissioners to investigate the pricing and variability issues highlighted in the report.

"Given the fact that all states except New Hampshire require drivers to carry auto insurance, insurance commissioners have the responsibility to ensure that these drivers are charged fair, affordable rates. Our research suggests that most rates charged moderate-income drivers are neither fair nor affordable," said Hunter.

This latest CFA auto insurance rate study comes after the [release last January of another CFA report](#), "Lower-Income Households and the Auto Insurance Marketplace: Challenges and Opportunities." This report said that for the large majority of lower-income households, "high premiums and disparate treatment help explain why an estimated one-quarter to one-third of lower-income drivers are uninsured."

For its latest research, CFA sought quotes for minimum liability coverage from the websites of the four largest auto insurers. State Farm, Allstate, Progressive, and GEICO have 48 percent of the auto insurance market nationwide and more than 60 percent of the market in a number of states.

CFA created two hypothetical consumers. Both had good driving records, with no accidents or moving violations in the seven years (man) and 12 years (woman) they had driven. Both also had good credit ratings, were single with one dependent, rented in moderate-income areas (median income around \$30,000), had a high school degree, and drove a paid-for 2002 Honda Civic 10,000 miles a year. He was a 27-year old laborer, and she was a 35-year old bank teller. (About one-third of U.S. households have annual incomes less than \$30,000.)

The 15 cities surveyed Boston, Washington D.C., Baltimore, Atlanta, Miami, Charleston, Louisville, Chicago, Sioux Falls, Denver, Houston, Phoenix, Las Vegas, Los Angeles and Oakland.

The results included the following:

- More than half (56%) of the dollar quotes were at least \$1,000, while nearly one-third (32%) were at least \$1,500.
- There were more rate quotes at \$3,000 and over (4) than under \$500 (3).
- The man was quoted somewhat higher rates overall than the older woman but the difference was not very large — 57 percent of the man's quotes, and 53 percent of the woman's quotes, were at least \$1,000. And all quoted rates \$3,000 and over were to the woman.

There were often substantial differences among rates quoted by the four insurers to either the man or the woman in the same city. In 13 of 30 instances (15 cities for the man and the woman), this price range exceeds \$1,000, according to CFA.



Auto Insurers' Rates Questioned

Consumer Federation of America highlights research and urges insurance commissioners to investigate rates and make insurance affordable for good drivers.

Insurance Networking News, June 18, 2012

Chris McMahan

For state-mandated minimum-liability insurance, good drivers who live in moderate-income areas are being quoted higher prices for auto insurance, and rates vary widely across providers, according to research from the [Consumer Federation of America](#) (CFA). In one example, price quotes for the same hypothetical woman driver ranged from \$762 to \$3,390.

The research uses the websites of the four largest auto insurers: State Farm, Allstate, Progressive and GEICO. More than half (56 percent) of the rate quotes to two typical moderate-income drivers were more than \$1,000, and nearly one-third of the quotes (32 percent) were more than \$1,500.

"It is difficult to understand how insurers can justify charging more than \$1,000 a year for minimum insurance coverage to drivers who have perfect driving records for many years," said Stephen Brobeck, CFA's executive director. "It is also difficult to understand why the same driver is being quoted rates from different insurers that vary so considerably. Insurers say rates reflect risk and cost, but if this in fact is the case, why do their assessments of these factors differ so radically?"

The Insurance Information Institute offered a differing interpretation of the results.

"The answer is simple. The markets for auto insurance are highly competitive. In addition, the experience of insurers in these markets will differ, leading insurers to price the risk of a prospective policyholder differently," said Dr. Robert Hartwig, economist and president of the I.I.I. "More importantly, increases in the cost of auto insurance nationwide remain in line with the Consumer Price Index (CPI), rising by less than 3 percent so far in 2012."

The CFA Study

State Farm, Allstate, Progressive and GEICO have 48 percent of the auto insurance in the United States, and more than 60 percent in Florida, Maryland and the District of Columbia.

For the purposes of the study, CFA created two hypothetical consumers. Both had good credit ratings, were single with one dependent, rented in moderate-income areas, with median income of \$30,000, had a high school degree, and owned a fully-paid-for 2002 Honda Civic, which they drove 10,000 miles a year. One was a 27-year-old male laborer with no accidents or moving violations in the past seven years; the other was a 35-year-old female bank teller with no accidents or moving violations for 12 years.

To ensure regional and size diversity, the survey included 15 cities: Boston MA, Washington DC, Baltimore, Md., Atlanta, Miami, Charleston W.V., Louisville, Ky., Chicago, Sioux Falls S.D., Denver, Houston, Phoenix, Las Vegas, Los Angeles, and Oakland, Calif.

In a statement to the press, the Insurance Information Institute pointed out that "Bodily injury and property damage related insurance claims payouts are generally higher in U.S. cities as compared to suburban and rural communities, an issue the CFA chose not to explore or explain."

CFA's Observations

More than half (56 percent) of the quotes were more than \$1,000, almost one-third (32 percent) were greater than \$1,500.

There were more quotes (4) that exceeded \$3,000 than there were those under \$500 (3).

While the male received slightly more expensive rates overall, all of the quoted rates exceeding \$3,000 were to the woman.

Rates Quoted in 15 Cities	Man	Woman	Both
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\$3000 and up	0	4	4
\$2000-2999	8	5	13
\$1500-1999	11	7	18
\$1000-1499	12	13	25
\$500-999	21	24	45
Under \$500	1	2	3
No Quote	6	4	10
Insurance Not Available	1	1	2

There often are significant differences among rates quoted by the four insurers to either the man or the woman in the same city. In 13 of 30 instances (15 cities for both the man and the woman), this price range exceeds \$1,000.

Rates Quoted to Man	Progressive	State Farm	Allstate	GEICO
Boston	\$2,058	NA	NQ	\$2,290
Baltimore	\$2,152	NQ	\$2,020	\$1,288
Washington DC	\$1,738	\$1,335	\$1,644	\$1,352
Atlanta	\$1,334	NQ	\$1,430	\$524
Miami	\$1,978	\$2,430	NQ	\$1,759
Charleston	\$891	\$961	\$1,596	\$620
Louisville	\$1,723	\$1,482	\$2,220	\$1,760
Chicago	\$876	\$1,582	\$1,910	\$637
Denver	\$795	NQ	NQ	\$582
Houston	\$1,092	\$1,999	\$1,426	\$760
Sioux Falls	\$718	\$595	\$624	\$325
Phoenix	\$1,281	\$1,390	\$1,644	\$610
Las Vegas	\$978	\$1,462	\$1,510	\$780
Los Angeles	\$1,078	\$2,278	\$922	\$841
Oakland	\$844	\$2,049	\$700	\$681

Rates Quoted to Woman	Progressive	State Farm	Allstate	GEICO
Boston	\$1,274	NA	\$1,740	\$2,067
Baltimore	\$2,704	\$1,801	NQ	\$804
Washington DC	\$1,260	\$1,335	\$1,622	\$1,400
Atlanta	\$1,670	\$921	\$1,326	\$448
Miami	\$2,822	\$2,203	NQ	\$3,457
Charleston	\$951	\$905	\$1,714	\$598
Louisville	\$2,130	\$1,425	\$3,354	\$1,827
Chicago	\$832	\$734	\$1,806	\$680
Denver	\$929	NQ	\$1,028	\$575
Houston	\$1,242	\$1,292	\$1,388	\$551
Sioux Falls	\$712	\$553	\$660	\$318
Phoenix	\$1,449	\$981	\$3,458	\$609
Las Vegas	\$1,160	\$1,300	\$3,390	\$762
Los Angeles	\$800	\$600	\$676	\$649
Oakland	\$638	NQ	\$500	\$589

"Given the fact that all states except New Hampshire require drivers to carry auto insurance, insurance commissioners have the responsibility to ensure that these drivers are charged fair, affordable rates," said J. Robert Hunter, CFA's director of insurance and former Texas Insurance Commissioner. "Our research suggests that most rates charged moderate-income drivers are neither fair nor affordable."

CFA will send the results of its research to all state insurance commissioners and urge them to conduct their own research to determine whether low- and moderate-income drivers with good driving records, are being quoted prices that are high, unfair and unaffordable, which amounts to discrimination against lower-income and minority families. CFA also is pressing to prohibit the use of rating factors such as occupation and education.



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Consumer Study: Cost of Minimum Auto Insurance Too High For Moderate to Low Income Drivers

By JoAnn Merrigan



A new report about the cost of auto insurance suggests that low to moderate income drivers who buy minimum coverage are often charged more than they should be, even if they're considered good drivers.

The research comes from the [Consumer Federation of America](#). And now CFA is urging insurance commissioners in states like Georgia to launch investigations. CFA says it's important to make auto insurance affordable, especially for good drivers who are struggling now to buy and keep minimum coverage.

J. Robert Hunter, CFA's Director of Insurance and former Texas Insurance Commissioner, called on state insurance commissioners to look into the issue. "Given the fact that all states except New Hampshire require drivers to carry auto insurance, insurance commissioners have the responsibility to ensure that these drivers are charged fair, affordable rates. Our research suggests that most rates charged moderate-income drivers are neither fair nor affordable."

The CFA study looked at insurance rates in moderate income areas in 15 cities across the country (including Atlanta.) And the quotes that drivers were being given by major auto insurance companies for minimum liability coverage. (The research included the four largest auto insurers nationwide, i.e. State Farm, Allstate, Progressive, and GEICO.)

CFA said over half of the rates quoted to two typical moderate-income drivers were over \$1000, and nearly one-third exceeded \$1500. CFA also said in some cases, quotes to the same consumer varied widely. For example, in one city price options given to the same woman ranged from over \$750 to more than \$3300."

"It is difficult to understand how insurers can justify charging more than \$1000 a year for minimum insurance coverage to drivers who have perfect driving records for many years," said CFA Executive Director Stephen Brobeck. "It is also difficult to understand why the same driver is being quoted rates from different insurers that vary so considerably."

CFA's point is that if insurers say rates reflect risk and cost - why do their assessments of these factors differ so much in the same area?

CFA says past research shows clearly that for most lower-income households, being able to own and legally drive a car greatly increases economic opportunities, especially the capability to get and keep a job.