



# SNAPSHOT

September 12, 2023

## Louisiana Auto Insurance Rates Highest in the Nation

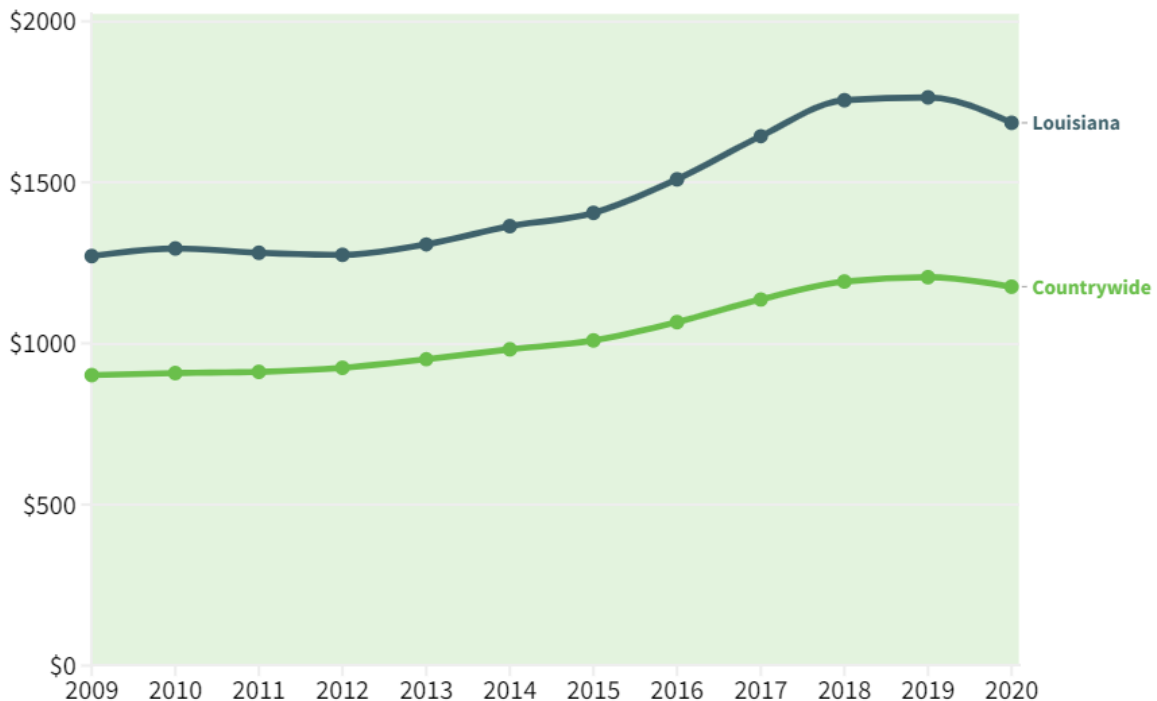
*Auto Insurance Rates Rising Again*

High auto insurance premiums have remained a pressing issue in Louisiana for decades. A report by the National Association of Insurance Commissioners shows that Louisiana held the most expensive combined average premium in the nation from 2015 to 2020. In fact, Louisiana has ranked among the top three highest states since 2006.

A state's combined average premium includes three coverages: liability, comprehensive and collision. The same report shows the national combined average premium was \$1,176.81 in 2020. By comparison, drivers in Louisiana paid an average premium of \$1,684.86.

It is worth noting these average premiums were not the specific rates for everyone. Several factors determine an individual's premium, such as the type of coverage and discounts available to drivers.

**Average Auto Insurance Premium 2009-2020**



Source: National Association of Insurance Commissioners



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Louisiana’s average auto insurance premiums consistently exceed the national average. The 2020 dip in average premiums came during the early days of the COVID-19 pandemic. With fewer cars on the road, insurance companies lowered their premiums. Those premiums have since risen with the easing of COVID-19 restrictions.

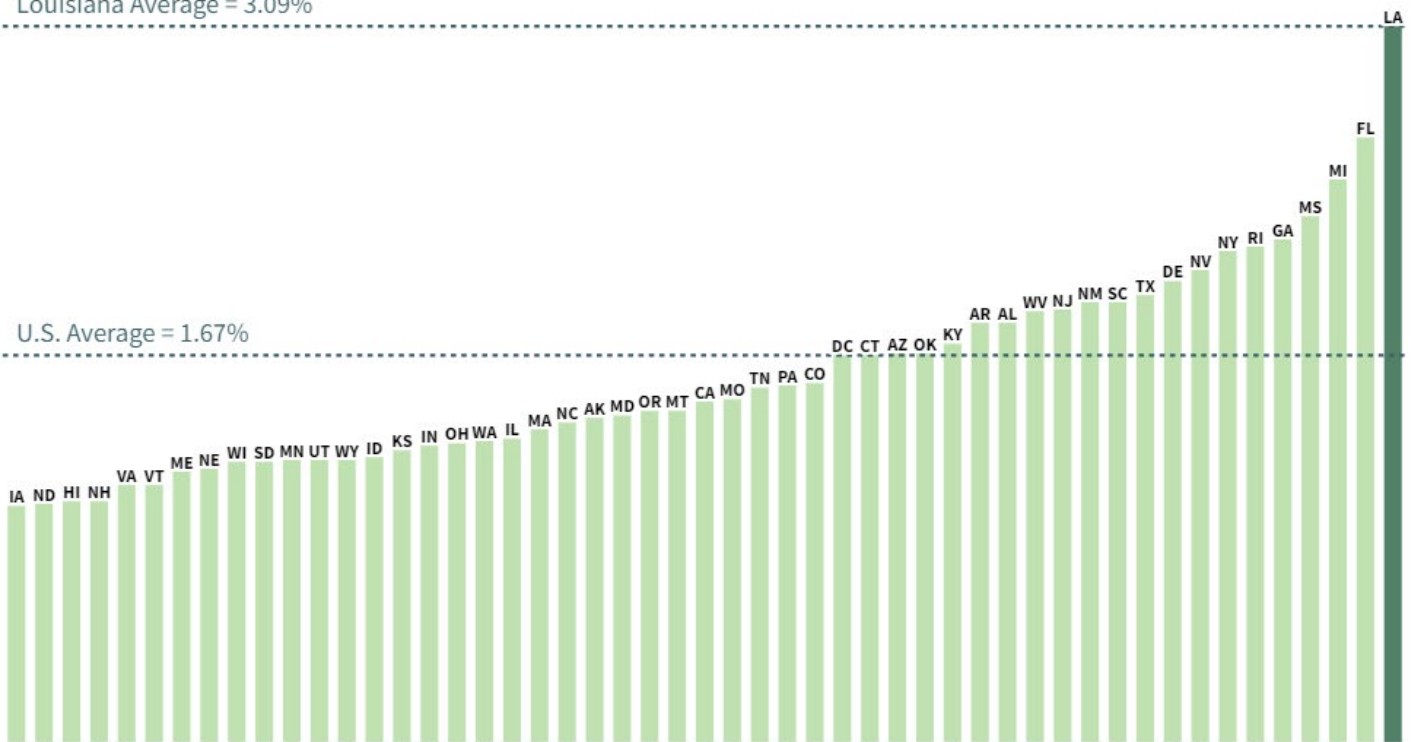
## High vehicle insurance charges hit Louisiana households hard

The Insurance Research Council created an index in 2021 to determine the affordability of auto insurance across states. The index’s average spending for auto insurance was calculated by assuming all insured vehicles carry liability coverage but not necessarily comprehensive and collision coverages. Using 2018 data, the council’s study shows that Louisiana, Florida and Michigan have respectively ranked as the top three least affordable states for auto insurance from 2014 through 2018. Although the affordability index indicates auto insurance has become more affordable for the average U.S. consumer over the past few decades, Louisiana still trails the nation.

## 2018 Auto Insurance Expenditures as Percentage of Median Income

Louisiana Average = 3.09%

U.S. Average = 1.67%



Source: Auto Insurance Affordability: Countrywide Trends and State Comparisons, Insurance Research Council



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The graphic below, using the most recent data available from 2020, shows Louisiana surpasses New York, Michigan, Rhode Island and Florida in highest average spending among its residents on car insurance. If Washington, D.C. was included, it would rank fourth most expensive below Louisiana with an average expenditure of \$1,415.18.

Top 10 Most Expensive And Least Expensive States For Auto Insurance 2020					
Rank	Most Expensive States	Average Expenditure	Rank	Least Expensive States	Average Expenditure
1	Louisiana	\$1,494.70	1	North Dakota	\$691.77
2	New York	1,436.45	2	Maine	703.81
3	Michigan	1,418.50	3	Iowa	707.9
4	Rhode Island	1,390.93	4	Idaho	724.41
5	Florida	1,371.99	5	South Dakota	738.59
6	New Jersey	1,333.61	6	Wisconsin	752.98
7	Georgia	1,254.83	7	North Carolina	753.37
8	Delaware	1,252.35	8	Indiana	765.73
9	Nevada	1,246.54	9	Wyoming	769.63
10	Connecticut	1,228.87	10	Ohio	781.1

Source: National Association of Insurance Commissioners (NAIC)

Newly approved premiums by the Department of Insurance will result in increases of as much as 20% or more for some drivers. These increased rates will take effect when drivers enroll in new auto insurance policies or when their current auto insurance policies are up for renewal.

Lawmakers have debated for years how to lower the state's vehicle insurance rates and bring Louisiana in line with the rest of the nation, without anything seeming to lessen the increases. State officials are expected to continue trying to tackle the problem in the next term starting in January.