

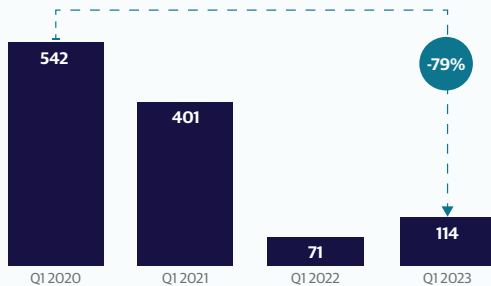
AUTO

What's driving up the cost of auto insurance?



A confluence of market trends is making auto claims much more expensive, requiring insurance companies to increase what you pay for auto coverage.

Domestic auto inventories (thousands)



Fewer cars, higher prices

Supply chain issues during the COVID-19 pandemic depleted the supply of new and used cars, and inventories have not yet recovered. As a result, the average price of new cars has risen 20% since 2020, while used car prices have skyrocketed 37%.

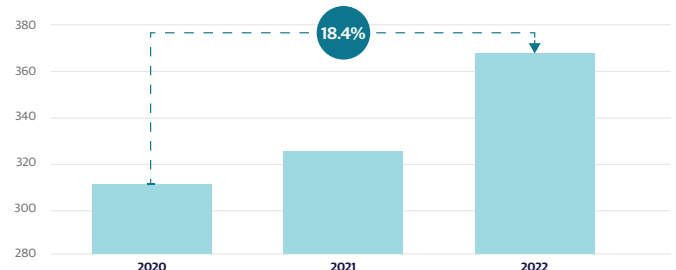
Sources: Federal Reserve Bank of St. Louis, Consumer Price Index

Higher repair costs

The same market dynamics are driving a shortage of car parts and equipment, which were 22.3% more expensive at the end of 2022 than they were two years earlier. The overall cost of maintaining and repairing vehicles increased 18.4% over the same timeframe – exacerbated by a growing shortage of car repair technicians.

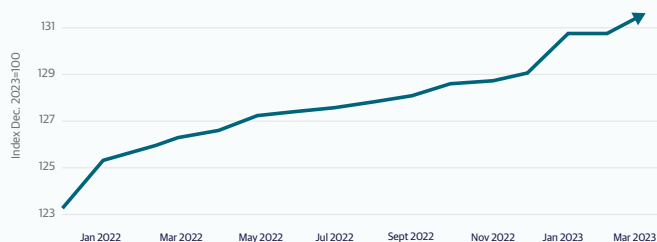
Sources: Consumer Price Index, 2022 TechForce Foundation Technician Supply & Demand Report

Motor vehicle maintenance and repair costs (Consumer Price Index)



Producer Price Index: Medical equipment and supplies manufacturing

The average cost of medical equipment and supplies has risen 6.8% since Dec. 2021



Rising cost of medical care

While the number of injuries and fatalities from car accidents has somewhat declined from its peak in 2021, the rising cost of medical care continues to drive higher claims costs. Between 2020 and 2022, the overall cost of medical care in the U.S. increased 6.8%.

Sources: Producer Price Index, Federal Reserve Bank of St. Louis

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