

Vermont has lowest average auto insurance premium in the nation

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Vermont Business Magazine With the average cost of full coverage [car insurance increasing](#) 26 percent over last year, you may be shopping around for a new policy. [Bankrate](#)

has calculated the "true cost" of auto insurance in all 50 states and the top 26 metro statistical areas (MSAs). Vermont (\$1,353) had the fifth lowest true cost in the nation when median income was factored in, while having the lowest overall average auto insurance premium (\$1,353). Massachusetts (1.76%) had the lowest true cost while Louisiana (6.53%) had the highest. Florida had the highest average annual premium (\$3,945).

The national average cost for full coverage car insurance is \$2,543 per year, or \$212 per month. Drivers with minimum coverage pay an average of \$740 a year, or \$62 a month.

To determine the true cost of car insurance, Bankrate's insurance editorial team analyzed the average total percentage of household income spent on car insurance. Next, we assigned a true cost ranking to each state and 26 metros in the country. The higher the ranking, the higher the true cost of car insurance.

The true cost of auto insurance in 2024 by state

State	True Cost Ranking	Average annual premium	Percent of income spent
Massachusetts	1	\$1,665	1.76%
Hawaii	2	\$1,654	1.79%
Washington	3	\$1,643	1.80%
New Hampshire	4	\$3,549	1.82%
Vermont	5	\$1,353	1.83%
Idaho	6	\$1,421	1.95%
Utah	7	\$1,929	2.16%
Maine	8	\$1,507	2.17%

Wyoming	9	\$1,581	2.26%
North Dakota	10	\$1,637	2.27%
Virginia	11	\$1,975	2.30%
Ohio	12	\$1,514	2.30%
Iowa	13	\$1,681	2.42%
Connecticut	14	\$2,155	2.44%
Wisconsin	15	\$1,732	2.44%
Minnesota	16	\$2,013	2.44%
Indiana	17	\$1,634	2.45%
Oregon	18	\$1,901	2.51%
North Carolina	19	\$1,705	2.53%
Maryland	20	\$2,493	2.62%
Alaska	21	\$2,330	2.64%
New Jersey	22	\$2,555	2.65%
Tennessee	23	\$1,807	2.77%
South Dakota	24	\$1,942	2.79%
Nebraska	25	\$1,989	2.86%
South Carolina	26	\$1,879	2.93%
California	27	\$2,697	2.95%
Illinois	28	\$2,310	3.01%
Delaware	29	\$2,625	3.19%
Colorado	30	\$2,902	3.25%
Rhode Island	31	\$2,683	3.28%
Montana	32	\$2,232	3.30%
Arizona	33	\$2,535	3.40%
West Virginia	34	\$1,881	3.46%

Georgia	35	\$2,610	3.58%
Texas	36	\$2,620	3.62%
Alabama	37	\$2,199	3.68%
New Mexico	38	\$2,210	3.70%
Kansas	39	\$2,624	3.81%
Pennsylvania	40	\$2,790	3.89%
Mississippi	41	\$2,055	3.90%
Arkansas	42	\$2,190	3.95%
Oklahoma	43	\$2,548	4.27%
Kentucky	44	\$2,549	4.29%
Missouri	45	\$2,801	4.32%
New York	46	\$3,840	4.83%
Nevada	47	\$2,426	4.91%
Michigan	48	\$2,345	5.01%
Florida	49	\$3,945	5.69%
Louisiana	50	\$3,618	6.53%

- The national average cost for full coverage car insurance is \$2,543 per year, which is 3.41% of the median household income. This surge is up from \$2,014 in 2023 and \$1,771 in 2022.
- The percentage of income spent on auto insurance varies among metro-statistical areas, with Detroit drivers facing an average annual expense of \$5,687 for full coverage car insurance (7.98% of their median household income), while Seattle drivers spend an average of \$1,759 per year on full coverage car insurance (1.65% of their median household income).
- The national average premium for drivers with poor credit scores is \$4,338 for full coverage insurance, which is about \$1,795 more than drivers with good credit with the same level of coverage.
- Adding a teen driver to a policy can be the most expensive life event for auto insurance consumers, costing drivers an average increase of \$2,878, a 21.03% increase from 2023. This brings the average auto insurance premium for these drivers to \$5,421, up 23.43%

from 2023. *Rates for adding a teen driver are based on a married couple with a 16-year-old driver on their full coverage policy.

Most and Least Expensive Metros for Auto Insurance

	True Cost Rank*	Metro Statistical Area (MSA)	Average Premium	% of Household Income Spent on Car Insurance
Least Expensive Metros	1	Seattle	\$1,759	1.65%
	2	Boston	\$2,094	2.01%
	3	Washington D.C.	\$2,430	2.07%
	4	Portland	\$1,976	2.21%
	5	Minneapolis	\$2,044	2.24%
Most Expensive Metros	22	Las Vegas	\$3,626	5.12%
	23	Philadelphia	\$4,753	5.65%
	24	Tampa	\$4,078	5.89%
	25	Miami	\$4,213	5.95%
	26	Detroit	\$5,687	7.98%

*Bankrate utilized current data from Quadrant Information Services to understand the average cost of auto insurance for every U.S. state and metro statistical area. Each location was assigned a “True Cost Rank”— a score between one and 50 for states and one and 26 for most populous metro areas. The lower the ranking, the smaller percentage of total income drivers spend on car insurance premiums.

Louisiana drivers have the highest true cost rank of 50, shelling out an average of 6.53 percent of their income toward car insurance. Historically, Florida consistently has higher insurance costs than most states and has the second-highest true cost ranking, with drivers spending a whopping 5.69 percent of their income on car insurance on average. Florida and Louisiana both experience frequent catastrophic claims from [extreme weather](#)

. Since insurance rates are determined with risk and historical data in mind, the high financial risk insurance companies and [reinsurance companies](#)

take on in both states is likely a driving factor of these high premiums.

After analyzing 26 major metro areas, our research found that drivers in Detroit pay the highest net average cost of car insurance and highest true cost of car insurance, with a staggering 7.98 percent of income spent on auto coverage. Florida is also home to three of the six MSAs with the highest true cost of insurance: Miami, Tampa and Orlando.

Massachusetts has the lowest true cost rank of 1, with drivers spending 1.76 percent of their income on car insurance. While the average rate of car insurance increased this year for Washingtonians by 32 percent, that is still much lower than the national average rate increase of 26 percent. Hawaii drivers spend only slightly more on car insurance at 1.79 percent.

In terms of the lowest percentage of income spent on car insurance for MSAs, Seattle takes first place with a True Cost score of 1.65. Boston and Washington, D.C., are not far behind with True Cost score of 2.01 and 2.07, respectively. All three of these metros have median household incomes over \$100,000 per year. New York stands out as the MSA with the highest median household income at \$136,405 per year, but its high average full coverage cost of \$4,198 per year puts it in the middle of the pack in terms of true cost ranking.

From population density to weather patterns, your car insurance rate is strongly influenced by where you live. However, insurance is multifaceted. Several other rating factors, such as driving experience and life events, are assessed to assemble an insurance premium based on your unique driving characteristics.

How much have auto insurance rates increased?

Nationally, the average cost of full coverage car insurance increased by 26 percent in 2024, but some states saw larger rate hikes. Missouri saw a massive 44 percent increase in the average annual cost of full coverage car insurance, from \$1,943 in 2023 to \$2,801 in 2024 — the biggest increase in any state. Florida has the highest average rate of full coverage car insurance at \$3,945 per year, an increase of \$762 from the year before.

Looking at MSAs, Philadelphia and Detroit saw some of the largest jumps in average full coverage premium costs from 2023 to 2024. Average rates in Philadelphia increased 154 percent from \$1,872 to \$4,753, while average rates in Detroit increased 85 percent from \$3,067 to \$5,687.

When it comes to rising auto insurance costs, drivers in Wyoming seem to have caught a break. The average cost of full coverage car insurance in the Equality State dropped by \$1 from 2023 to 2024 — resting at \$1,581.

Median annual income data was calculated using 2022 data, the most recent available, provided by the [U.S. Census Bureau](#)

. 2024 calculations for the percentage of income spent on auto insurance use the most recent median income data from the U.S. Census. All previous True Cost of Auto Insurance reports utilized average income data from the U.S. Census. Bankrate chose to switch to median income data in 2024 as a more representative statistic of what people earn in a given geographic area.

Source: NEW YORK - February 5, 2024 - www.bankrate.com