

Drivers Face Sticker Shock When Auto Insurance Renewals Arrive

January 25, 2025



California has the highest automobile insurance rates in the country; you already know that.

California motorists can expect sharp increases in rates by an average of 16.2 percent. The rest of the country is averaging about 7.5 percent increase.

You can shop and compare but the reality is daunting. Here are some hints on moderating your rates:

- Don't get speeding tickets. Absolutely don't get a DUI.
- Hold off your teenager with getting a driver's license.
- Ask for discounts. 10-15 percent if you or your new young driver takes the CHP Defensive Driving course, March 19, in Crescent City

The news remains dreadful. Geico, Allstate and Liberty Mutual have all pulled out of the Golden State. Farmers and Progressive have all scaled back coverage in California.

Why are these rate increases happening in 2025?

Auto accidents increased 25 percent in California, between 2020-2021.

The obscene rates reflect vicious inflation in the last few years and complex supply chain issues. Collected premiums are not sufficient to allow carriers to offer affordable rates.

The California Insurance Dept is not blameless and has denied rate increases to carriers. The Insurance Commission has frozen premium rates. Many carriers have pulled out of the State, as reported.

An alarming and increase amount of drivers have zero insurance. The figure has spiked to 17 percent of drivers who have no insurance. Another six percent of drivers are under insured. Much of the non-insured has been attributed to illegal immigration, a subject very alien to the State.

2026 offers no relief; however, the Trump Administration promises intervention.