

# Bankrate

## National Average Cost of Car Insurance in the United States Reaches \$2,638, Up 12% from 2024

*Drivers in Miami spend 6.78% of their annual income on car insurance, while Seattle drivers only spend 1.79%*

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NEW YORK - February 10, 2025 - Auto insurance costs in the United States continue to rise, despite inflation stagnating over the past year, according to Bankrate's 2025 True Cost of Auto Insurance Report.

- The national average cost for full coverage car insurance is \$2,638 per year, which is 3.39% of the median annual household income. This is up 12% from \$2,349 in 2024, meaning drivers are spending an extra \$289 per year, or \$24 per month, on their car insurance.
- Drivers living in the Miami-Fort Lauderdale-West Palm Beach metropolitan statistical area (MSA) have the highest annual average cost of car insurance at \$5,174 per year for full coverage car insurance (6.78% of their median annual household income), while drivers in the Seattle-Tacoma-Bellevue metropolitan area spend an average of \$1,986 per year (1.79% of their median annual household income).

For the full report, click here: <https://www.bankrate.com/insurance/car/the-true-cost-of-auto-insurance/>

Bankrate calculated the true cost of car insurance by dividing the average annual full coverage car insurance premium by the median annual income for each state and metro-statistical area (MSA), and assigned a true cost ranking to each state and 25 metros.

### Most and Least Expensive Metros for Auto Insurance

	True Cost Rank*	Metro Statistical Area (MSA)	Average Annual Premium	% of Household Income Spent on Car Insurance
<b>Least Expensive Metros</b>	1	Seattle-Tacoma-Bellevue, WA	\$1,986	1.79%
	2	Boston-Cambridge-Newton, MA	\$2,139	1.93%
	3	Washington-Arlington-Alexandria, DC-VA-MD-WV	\$2,385	1.96%
	4	Portland-Vancouver-Hillsboro, OR-WA	\$2,099	2.21%
	5	San Francisco-Oakland-Fremont, CA	\$2,961	2.32%
<b>Most Expensive Metros</b>	21	New York-Newark-Jersey City, NY-NJ	\$4,223	4.43%
	22	Orlando-Missimmee-Sanford, FL	\$3,823	4.94%
	23	Detroit-Warren-Dearborn, MI	\$3,696	5.09%
	24	Tampa-St. Petersburg-Clearwater, FL	\$4,572	6.29%
	25	Miami-Fort Lauderdale-West Palm Beach, FL	\$5,174	6.78%

*\*Bankrate utilized current data from Quadrant Information Services to determine 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 25 for most populous metro areas. The lower the ranking, the smaller percentage of total income drivers spend on car insurance premiums.*

“The cost of full coverage auto insurance increased 12 percent from 2024 to 2025 and the rising cost of vehicle parts and labor are a significant contributing factor,” said Bankrate Insurance Analyst Shannon Martin. “While it’s common for metropolitan areas to have higher vehicle theft rates and car crashes, the residual effects of technician shortages and elevated cost of raw materials only add to the higher price of vehicle repairs in these areas. Our data shows that in many cases drivers living in MSAs with

higher levels of household income can more easily absorb these costs more effectively than lower-income areas.”

**Most and Least Expensive States for Auto Insurance**

	True Cost Rank	State	Average Annual Premium	% of Household Income Spent on Car Insurance
<b>Least Expensive States</b>	1	Hawaii	\$1,689	1.77%
	2	Vermont	\$1,470	1.81%
	3	New Hampshire	\$1,823	1.88%
	4	Idaho	\$1,454	1.94%
	5	Washington	\$1,845	1.95%
<b>Most Expensive States</b>	46	Michigan	\$3,131	4.53%
	47	Nevada	\$3,562	4.66%
	48	New York	\$3,916	4.77%
	49	Florida	\$4,171	5.69%
	50	Louisiana	\$3,978	6.83%

Bankrate’s True Cost of Auto Insurance Report also examined how different factors or life events can impact drivers’ car insurance rates, including:

- **Credit History\***: The national average annual cost of full coverage car insurance for a driver with poor credit is \$4,644 annually, which is \$2,006 more than what drivers with good credit pay.
  - Largest state premium increase for poor credit: South Dakota (148% increase)
  - Smallest state premium increase for poor credit: North Carolina (39% increase)

- Largest metro premium increase for poor credit: San Antonio-New Braunfels, TX (140% increase)
- Smallest metro premium increase for poor credit: Seattle-Tacoma-Bellevue, WA (48% increase)
- **Adding a Teen Driver\*\*:** The national average cost of full coverage car insurance with a teen driver is \$5,675 per year, which is \$3,037 more than for those without a teen driver on their policy.
  - Largest state premium increase with a teen driver: Utah (145% increase)
  - Smallest state premium increase with a teen driver: South Dakota (69% increase)
  - Largest metro premium increase with a teen driver: Charlotte-Concord-Gastonia, NC-SC (137% increase)
  - Smallest metro premium increase with a teen driver: New York-Newark-Jersey City, NY-NJ (89% increase)
- **DUI:** The national average annual cost of full coverage car insurance after someone gets a DUI is \$5,106, an increase of \$2,467 from those who do not have a DUI.
  - Largest state premium increase with a DUI: North Carolina (293% increase)
  - Smallest state premium increase with a DUI: Oklahoma (44% increase)
  - Largest metro premium increase with a DUI: Charlotte-Concord-Gastonia, NC-SC (247% increase)
  - Smallest metro premium increase with a DUI: Tampa-St. Petersburg-Clearwater, FL (47% increase)
- **Car Accident:** The national average annual premium cost after getting into a car accident is \$3,774, an increase of \$1,136.
  - Largest state premium increase with a car accident: California (67% increase)
  - Smallest state premium increase with a car accident: New York (5% increase)
  - Largest metro premium increase with a car accident: Los Angeles-Long Beach-Anaheim, CA (67% increase)
  - Smallest metro premium increase with a car accident: New York-Newark-Jersey City, NY-NJ (13% increase)

*\*California, Hawaii, Massachusetts and Michigan prohibit or limit the use of credit as a rating factor in determining auto insurance rates, so they were excluded from consideration for lowest premium increase following a drop in credit.*

*\*\*Age is not a contributing rating factor in Hawaii and Massachusetts due to state regulations, so they were excluded from consideration for lowest premium increase when adding a teen driver.*

“Drivers should focus on the ways they can control their insurance rates,” added Martin. “We can’t always avoid car accidents, but being attentive on the road, practicing safe driving and taking advantage of insurance discounts can help drivers avoid additional rate hikes. With the cost of vehicle repairs so high right now, drivers may also want to take further steps to secure their cars and reduce the risk of theft and extreme weather damage.”

### **Methodology:**

Bankrate utilizes Quadrant Information Services to analyze January 2025 rates for all ZIP codes and carriers in all 50 states and Washington, D.C. Rates are weighted based on the population within each specific geographic region. Quoted rates are based on a single, 40-year-old male and female driver with a clean driving record, good credit and the following full coverage limits:

- \$100,000 bodily injury liability per person
- \$300,000 bodily injury liability per accident
- \$50,000 property damage liability per accident
- \$100,000 uninsured motorist bodily injury per person
- \$300,000 uninsured motorist bodily injury per accident
- \$500 collision deductible
- \$500 comprehensive deductible

To determine minimum coverage limits, Bankrate used minimum coverage that meets each state’s requirements. Our base profile drivers own a 2023 Toyota Camry, commute five days a week and drive 12,000 miles annually.

These are sample rates and should only be used for comparative purposes.

To keep up with the latest industry advancements, our insurance editorial experts have made improvements to our data methodology. Please visit our [2025 True Cost of Auto Insurance](#), where we have retroactively applied our new methodology to previous years' data to give you the opportunity to compare rates.

**Credit-based insurance scores:** Rates were calculated based on the following insurance credit tiers assigned to our drivers: “poor, average, good (base) and excellent.” Insurance credit tiers factor in your official credit scores but are not dependent on that variable alone. Four states prohibit or limit the use of credit as a rating factor in determining auto insurance rates: California, Hawaii, Massachusetts and Michigan.

**Incidents:** Rates were calculated by evaluating our base profile with the following incidents applied: clean record (base), at-fault accident, single speeding ticket, single DUI conviction and lapse in coverage.

**Model:** To determine cost by vehicle type, we evaluated our base profile with the following vehicles applied: Tesla Model 3, Subaru Forester and Toyota Camry (base).

**Age:** Rates were calculated by evaluating our base profile with the ages 16-40 (base: 40 years) applied. Depending on age, drivers may be a renter or homeowner. Age is not a contributing rating factor in Hawaii and Massachusetts due to state regulations.

**Teens:** Rates were determined by adding a 16-year-old teen to their 40-year-old married parents' policy. The rates displayed reflect the total cost of a driver this age added to their parents' policy.

**Gender:** The following states do not use gender as a determining factor in calculating premiums: California, Hawaii, Massachusetts, Michigan, North Carolina, Pennsylvania.

**Income data:** Median annual household income data was calculated using 2023 data, the most recent available, provided by the U.S. Census Bureau. 2025 calculations for the percentage of income spent on auto insurance use the most recent median household income data from the U.S. Census. For previous years, the most recently available median income data available at the time was used.

**Metropolitan Statistical Areas:** MSA definitions and median income values are sourced from the U.S. Census. Average premiums for MSAs were calculated by analyzing rates for all ZIP codes included in each MSA as defined by the Census.

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