

## MONEY

# Trying to shop for cheaper car insurance



The normally unstoppable force of two veteran money reporters hit the immovable object of wretched industry conditions. Living in Brooklyn didn't help. PETE GAMLEN — THE NEW YORK TIMES

BY RON LIEBER AND TARA SIEGEL BERNARD

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NEW YORK>> We were bound to fail. We just didn't know it when we started our quest.

When our latest car insurance premium notices landed, we were shocked: Tara's premiums had risen more than 62% to \$2,315 since late 2020. Ron, with a car that is three years younger than Tara's and has a plug-in hybrid battery that would be expensive to replace, was experiencing sky-high costs of \$3,396 per year.

If you own a car, it's no secret that auto insurance prices have soared. Motor-vehicle insurance premiums have increased 51% in just three years, according to the latest data from the consumer price



index. A confluence of factors is to blame. Cars are more expensive to repair and replace, accidents are on the rise (phone fiddling is an ever-present risk) and weather-related claims are also increasing.

Could we shop our way out of this mess? We were all for trying, but it wasn't going to be easy.

We would also have to contend with the fact that we both live in Brooklyn. It's densely populated, which insurance companies don't like. Theft rates are high, and catalytic converters are catnip for bad actors.

People in other states have to grapple with their own idiosyncrasies, like the golf-ball-size hail in Minnesota, where premiums are projected to rise 61% in 2024, according to Insurify, an insurance shopping and comparison website.

Still, we liked our odds. With no teenage drivers or scofflaw spouses — plus spotless credit and solid records on the road — we hunkered down on Tara's back porch last month, laptops and phones at the ready.

### The incumbent carriers to beat

We started with our current insurance companies and began by making sure we understood our existing coverage. This wasn't easy; Ron made a spreadsheet with 24 lines on it, representing all the features of the USAA policy for his 2021 Toyota RAV4 Prime. \*

We tried to map Tara's GEICO coverage for her 2018 Subaru Forester onto the spreadsheet, but in what became a continuing theme once we started shopping around, some of GEICO's terminology didn't match USAA's. \*

Nevertheless, we pressed on. The easiest way to save money on car insurance is to raise deductibles or lower the amount of coverage with your current carrier. We had both maxed out our deductibles and didn't want to risk lowering our coverage amounts.

The pleasant GEICO rep assured Tara that the crazy spike in her premiums wasn't personal and that she was receiving all the discounts she was eligible for as a longtime customer in good standing.

There was one thing she could wipe away: roughly \$50 a year for mechanical breakdown coverage that would end in about a year anyway.

\* At USAA, the only way to achieve big savings was to let the company track Ron's driving habits using his cellphone. Many major insurance companies have similar initiatives, and USAA claimed Ron could save "up to" 30%.

Ron had questions. The back-and-forth with the phone rep led to a fair bit of confusion about what the company does and does not track, though it definitely tries to detect "harsh" braking and unsafe use of a phone while driving.

### Comparison sites

Several companies try to make money by bringing the old-fashioned insurance agency — a storefront, say, where you can stop in and get quotes from many insurers — online. We tried a bunch of them, including Insurify, Lemonade, Policygenius and the Zebra, and were profoundly underwhelmed (though sometimes amused). \*



None of these companies delivered price quotes that beat our current rates, and we often saw the same two insurance companies on different sites — Progressive and GEICO.

In many instances, we couldn't input enough granular information to know whether the quote would match our current coverage. Other times, we couldn't ask for a high enough amount of coverage.

Over at Policygenius, Ron saw a company called GAINSCO bidding for his business, but it soon referred him to Progressive. A few minutes later, he got a call from a State Farm representative in Schenectady, N.Y.

Ron asked the rep how he had gotten his number, and the agent said it had just popped up on his computer as a live lead. State Farm's quote was way too high, but we admired the guy's pluck. A State Farm spokesperson did not respond to requests for comment, and it is not clear how Ron's phone number ended up on the screen.

Tara tried most of the same comparison sites, and it felt like all roads led back to Flo — maybe Progressive was one of the few carriers still seeking new business? It came closest to her rate at GEICO but still cost more for less coverage. \*

### Going direct

Next we tried a few well-regarded insurers that didn't show up on the comparison sites. We found them through a recent study from J.D. Power, an analytics firm, which ranked carriers by region.

Tara received quotes from Amica and Erie Insurance, which practically screamed, "We don't want your business." Their rates were 89% and 44% more than her current premium. They came closer to matching Ron's rate, but not close enough.

### **The Brooklyn storefront**

After spending so much time online, we were ready for sustenance — and assistance from a warm-blooded human. After a pit stop at Lioni for excellent hero sandwiches, we visited one of those old-school storefronts, this one in the Bensonhurst neighborhood of Brooklyn. It had several desks filled with piles of paper, but humans were visible, burrowed in behind the stacks.

We introduced ourselves as reporters from The New York Times and met an insurance agent, with more than three decades of experience, who said she would try to assist us. Given the current rates in the market, she wasn't terribly optimistic. She told us that she had never seen anything like this before — and found it depressing.

The good part about most humans is that they will level with you in a way that a robot won't. Right away, the agent raised her eyebrows and told Ron that USAA was going to be hard to beat. She didn't even think it was worthwhile to offer him a quote.

Not everyone can get USAA auto insurance in the first place, since only members of the military, most former members, eligible family and a few other limited groups of people can apply. (We thank Ron's late father, Fred, for his service.)

The agent did generate a solid rate for Tara from Travelers, but GEICO still had the edge.

So after all of that, we are back where we started. Ron is weighing his feelings about USAA's watching him. Tara is contemplating the wisdom of reducing her coverage.

Industry professionals were not that surprised that we couldn't save money, given what it costs insurers to buy car parts and pay for people to install them.

"Inflation impacted everyone, all at once," said Dale Porfilio, chief insurance officer at the Insurance Information Institute.