

## Georgia Personal Auto Insurance Among Least Affordable States in the Country; Claim Litigation, Uninsured Motorists a Growing Concern, According to New IRC Study

*For Immediate Release*

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**NEW YORK, August 8, 2024** – Georgia’s personal auto insurance affordability has deteriorated in recent years, climbing the ranks of least affordable states over the past decade and a half, according to the new report [Personal Auto Insurance Affordability in Georgia](#), by the [Insurance Research Council](#) (IRC), a division of The Institutes.

In 2022 (the latest year for which expenditure data is available), personal auto insurance expenditures accounted for 2.0 percent of the median household income in Georgia, compared with 1.5 percent in the United States. Georgia ranked 47<sup>th</sup> in terms of auto insurance affordability, with only four other states – Louisiana, Florida, Mississippi, and New York – showing higher expenditures. This is a marked deterioration from Georgia’s affordability position back in 2006 when it was the 27<sup>th</sup> most affordable state.

### Key findings:

- From the mid-2000s through 2014, Georgians spent about the same on auto insurance as other Americans. Starting in the mid-2010s, however, auto insurance expenditures in Georgia have escalated. Between 2014 and 2022, auto insurance spending in Georgia grew 5.6 percent annualized, compared with 3.3 percent in the country overall and faster than in any other state. In 2022, Georgia’s average expenditure of \$1,347 was 20 percent higher than the U.S. average.
- Affordability issues in Georgia’s auto insurance market stem from multiple factors - many of which have been faced by the rest of the country - including economic inflation, high replacement costs, poor driving behavior, and legal system abuse. However, several key measures of cost drivers are higher in Georgia, including the propensity to file an injury claim once an accident occurs, underinsured motorists, and claim litigation.
- Litigation in auto insurance claims is a growing concern in Georgia, especially as tort reform in neighboring states is potentially pushing legal firms in those states to find opportunities elsewhere. Georgia has experienced elevated attorney advertising rates, particularly in television advertising.

“Uninsured and underinsured motorists are both a symptom and a cause of affordability issues,” said Dale Porfilio, FCAS, MAAA, president of the IRC. “When affordability deteriorates, whether from increasing costs or slower income growth, increasing numbers of motorists may choose to lower the policy limits or to forgo the mandated insurance completely.”

Porfilio, who is also Chief Insurance Officer of the [Insurance Information Institute](#) (Triple-I), noted that the resulting need for drivers to purchase UM and UIM protection further increases average expenditures on insurance. “Both the UM and UIM rates are higher than average in Georgia. The UIM rate is especially high in the state: Georgia’s UIM rate has been increasing steadily and was the third highest rate in the country in 2022.”

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### About Insurance Research Council

The [Insurance Research Council](#) (IRC), affiliated with The Institutes, is an independent, nonprofit research organization supported by leading property and casualty insurance companies and associations. IRC provides timely and reliable research to all parties involved in public policy issues affecting insurance companies and their customers. IRC does not lobby or advocate legislative positions.