

CONSUMER NOTICE – June 26, 2024

UNDERSTANDING AUTO AND HOMEOWNERS INSURANCE RATE INCREASES IN CONNECTICUT

The Connecticut Insurance Department (CID) aims to provide consumers with insights into the reasons behind potential auto and homeowners insurance premium increases. Consumers may see an increase even in the absence of filed claims or violations.

Individual insurance companies doing business in Connecticut are responsible for determining when revised rates are needed and submitting their proposed rates and supporting information to the CID. We analyze the filings as required by law to assess whether the proposed rates are actuarially sound and compliant with the applicable laws.

What You Need to Know: Auto Insurance

- Insurers may implement an overall statewide rate increase for all policyholders based on their claims experience and financial need. This type of increase is not directed at any one policyholder.
- Loss of applicable discounts, such as a claims-free discount following an accident, can lead to a higher premium.
- Rates have also been influenced by several macroeconomic factors, including inflation, rising repair costs, higher prices for parts and labor, supply chain delays, and the increased severity of accidents.
- Your final premium amount depends on factors like geographic area, vehicle type, driving record, and credit history. Changes in these factors can impact your premium.

Rate increases, discounts, and surcharges vary by insurance company based on their specific rate filings with the CID. There is no one-size-fits-all increase, and each insurer's adjustments are based on their unique experience as set forth in individual rate filings.

What You Need to Know: Homeowners Insurance

- The Insurance Department reviews homeowners' base rates to confirm consistent with the applicable law. Individual premiums are then adjusted based on factors like property location, construction type and year, hurricane risk, and coverage amount, leading to varying final premiums based on specific property features.
- Department staff will consider factors such as the company's overall loss history experience, the company's loss experience in the state, and hurricane risk exposure.

Connecticut's insurance marketplace is open and competitive. This is unlike many other states where there are fewer carriers available, and rates tend to be much higher. Consumers have many options when choosing their coverage. We emphasize the importance of shopping around annually to see if better insurance rates are available.

Consumers may contact the Connecticut Insurance Department at (800) 203-3447 or (860) 297-3900, or through the Insurance Department's website for additional information or assistance regarding their auto or homeowner's insurance. The Insurance Department's Consumer Affairs Division is also available to answer questions or assist consumer with claims.