

# 2020: Most and Least Expensive ZIP Codes for Car Insurance by State



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The highest car insurance rates in the nation belong to Detroit, according to CarInsurance.com's analysis of rates for a full coverage policy for nearly every ZIP code in the country.

ZIP codes in Brooklyn, New York and New Orleans, Louisiana rank second and third, respectively, behind Detroit, Michigan.

Drivers can enter a ZIP code in CarInsurance.com's average car insurance rates tool to see the average premium for the location, as well as the highest and lowest rates. You can get a customized rate by entering your age, gender and preferred coverage level.

Rankings were determined by identifying the highest ZIP code for car insurance in each state and then listing them in descending order.

The Top 10 Most Expensive ZIP Codes by State for Full Coverage Car Insurance are:



Search Table

State	ZIP Code	City	Average Rate
Michigan	48226	Detroit	\$6,329
New York	11212	New York	\$5,703
Louisiana	70117	New Orleans	\$4,601
Nevada	89101	Las Vegas	\$3,768
California	91605	North Hollywood	\$3,767
Pennsylvania	19140	Philadelphia	\$3,710
Maryland	21216	Baltimore	\$3,443

## Most Expensive ZIP Codes for Car Insurance by State

To find the most expensive ZIP code for car insurance in every state, see the table below.

Search Table

State	ZIP Code	City	Average Rate	Highest Rate	Lowest Rate
Michigan	48226	Detroit	\$6,329	\$9,337	\$3,120
New York	11212	New York	\$5,703	\$9,172	\$3,123
Louisiana	70117	New Orleans	\$4,601	\$5,769	\$3,707
Nevada	89101	Las Vegas	\$3,768	\$5,983	\$1,873
California	91605	North Hollywood	\$3,767	\$5,082	\$2,946
Pennsylvania	19140	Philadelphia	\$3,710	\$5,304	\$2,464
Maryland	21216	Baltimore	\$3,443	\$4,209	\$2,729

# Motor City Madness: Why are Car Insurance Rates so High in Detroit?

Detroit is notorious for having the most expensive car insurance rates in the nation, due to a variety of factors, though recently passed auto reform laws could provide relief to Michigan drivers starting next year. For now, though, here are some of the reasons Detroit has the most expensive rates in the nation:

- Unlimited no-fault laws -- The state's unique no-fault insurance laws that were in place for decades mandated lifetime medical care for those injured in car accidents, beyond what their health insurance pays. It also provided up to about \$5,400 per month in lost wages for up to three years, regardless of who caused the accident. While recent auto legislation reform is underway that will eliminate mandated life-time medical payouts, it's too soon to tell how much this will lower rates for Michigan drivers.
- Exorbitant Personal Injury Protection (PIP) claim costs – PIP is medical coverage for those injured in car accidents. From 2008 through 2017, PIP claim severity, or costs, increased 30%, according to the Insurance Research Council. Michigan led the way for states with higher-than-average PIP cost increases for that time period – a 60% hike. However, under the new laws, starting in July 2020, you will be able to forego personal protection benefits entirely if you have health insurance such as an employer plan or Medicare. Other options will include sticking with unlimited coverage or choosing either \$250,000 or \$500,000 worth. So, lower rates should be realized at some point for Detroit (and Michigan) drivers.
- Fraud: Critics of the no-fault laws in Michigan say that the system is vulnerable to fraud, as aggressive lawyers contribute to escalating numbers of lawsuits and seek to cash in by shuttling clients into unnecessary and costly medical treatments. This is compounded by hospitals charging higher fees for patients injured in car accidents, compared to standard patient costs. The state also lacks an insurance fraud oversight board or committee.
- Uninsured motorists: Michigan has one of the highest uninsured driver rates, (ranked No. 4 for states with the highest uninsured driver rate) with an estimated 20% of motorists going without insurance, according to the latest Insurance Research Council study. But estimates for the uninsured rate in Detroit are even higher. In a commentary for the Coalition Protecting Auto No-Fault, Melvin Butch Hollowell, former Michigan insurance consumer advocate, put the number at 60%.
- Economic struggles: In Michigan, car insurance companies review credit histories when setting rates, and those with poor credit pay are seen as high-risk by insurers, so they are charged more money. Michigan tops the list of the [worst states for drivers with bad credit](#), paying an average of 167% more than those with good credit. The average FICO score for Detroit is 608 — among the lowest for large cities, according to Experian.
- High theft rates: Detroit had Michigan's highest vehicle theft rate at 301 per 100,000 residents, according to a recent report by the National Insurance Crime Bureau.

## What ZIP Codes are the Lowest for Car Insurance Rates?

The Top 10 Least Expensive Locations for Full Coverage Car Insurance Rates are:

Search Table

State	ZIP Code	City	Average Annual Rate
Maine	04735	Bridgewater	\$993
New Hampshire	03766	Lebanon	\$995
Ohio	45885	St. Marys	\$995
Virginia	24060	Blacksburg	\$1,005
Wisconsin	54952	Menasha	\$1,080
Massachusetts	02554	Nantucket	\$1,114
Indiana	46711	Berne	\$1,124

# Least Expensive ZIP Codes for Car Insurance by State

To Find the Least Expensive ZIP Code for Car Insurance in Every State, see the Table below.

Search Table

State	ZIP Code	City	Average Rate	Highest Rate	Lowest Rate
Maine	04735	Bridgewater	\$993	\$1,666	\$608
New Hampshire	03766	Lebanon	\$995	\$1,796	\$664
Ohio	45885	St. Marys	\$995	\$1,530	\$596
Virginia	24060	Blacksburg	\$1,005	\$1,709	\$771
Wisconsin	54952	Menasha	\$1,080	\$1,598	\$614
Massachusetts	2554	Nantucket	\$1,114	\$1,554	\$546
Indiana	46711	Berne	\$1,124	\$1,784	\$720

# Average Rate up 22% from 2017 for Full Coverage

When considering all locations in the U.S., CarInsurance.com's analysis showed a national average rate of \$1,758 for full coverage. That's up 22% since 2017 when rate by ZIP data was last surveyed by the experts at CarInsurance.com. State required minimum coverage ticked up just 4%, while standard liability limits rose 16%.

Coverage Level	2017 Average Rate	2020 Average Rate	\$ Difference	% Difference
State minimum	\$552	\$574	\$22	4%
50/100/50	\$583	\$674	\$91	16%
100/300/100	\$1,451	\$1,758	\$307	22%

## Rural Areas Generally Cheaper than Urban Areas for Car Insurance

Drivers in rural areas generally pay less than drivers in urban areas. Rural areas have fewer cars on the road, so costs for insurers are lower because there are fewer accidents, claims and thefts. For example, Maine ranks 38th in the nation for population density.

In addition, Maine has a healthy car insurance market. "Thanks to a competitive market, Maine consumers are paying less for auto insurance than consumers in nearly every other state," Insurance Superintendent Eric Cioppa stated in a recent press release.

Maine also keeps its uninsured motorist rate low, very low. Maine has the lowest rate of uninsured drivers in the entire country with only 4.5% of drivers without coverage. This lowers an insurer's risk, which results in better premiums for everyone.

Each state's car insurance laws also come into play, as some state minimum liability requirements are much lower than others. "Ohio has minimum limits of 25/50/25 for liability, with no requirement for PIP, which helps keep down rates," says Penny Gusner, senior consumer analyst for CarInsurance.com. "Ohio also has a healthy car insurance market. With plenty of regional and national auto insurers, motorists have companies competing for their business and can readily obtain low car insurance premiums by shopping around and comparing rates."

## Why Car Insurance Rates Vary so Much Among Insurance Companies?

Car insurance companies assess many factors when setting rates, and your location is chief among them. Based on the number and severity, or cost, of car insurance claims within the area, insurers assign ZIP codes different risk levels. Insurers take into account the frequency of thefts, collisions and vandalism to gauge the likelihood of such incidents happening to drivers within the ZIP code. This is used as the base rate from which insurers calculate your premium. Other pricing factors, such as your driving record, type of car you drive and your age are then added into the calculation.

To [estimate car insurance](#) costs, you can take into account your age, the level of coverage you need and your location.

Every car insurance company uses its own base rate and formula, which is why rates can vary so much, and why it's important to comparison shop to get the best [cheap car insurance](#). For instance, CarInsurance.com's rate analysis found the following potential savings, or the difference between the highest and lowest price, for the same policy:

- State minimum liability – average savings of 153%, or \$497
- Full coverage – average savings of 178%, or \$1,647



**\*Methodology:**



CarInsurance.com commissioned Quadrant Information Services to provide a report of average auto insurance rates for a 2019 Honda Accord for nearly every ZIP code in the United States, for male driver, age 30. We calculated rates using data for up to six large carriers for a policy with liability limits of 100/300/100 with \$500 deductible on comprehensive and collision.

ZIP codes in ranking were the highest ZIP code for car insurance in the state, ranked by descending order. Rankings for the cheapest ZIP code were in ascending order from lowest premium.

This hypothetical drivers has a clean record and good credit. Average rates are for comparative purposes. Your own rate will depend on your personal factors and vehicle.