

Car insurance rates by state, 2020 edition

By Mark Vallet | Updated on April 13, 2020

Michigan once again topped the list for expensive car insurance. This is now the seventh year in a row, and ninth time in the past 11 years, that the Wolverine State has won this dubious honor. The state's average premium is nearly \$3,000.

When it comes to expensive car insurance premiums, Michigan is head and shoulders above the competition with an average annual premium of \$2,878. This is a stunning \$489 more than second place Louisiana and a whopping 90% higher than the national average of \$1,517. Car insurance in Michigan costs three times more than it does in our cheapest state, Maine, where the average premium is a mere \$912 a year.

Most Expensive States to Insure Your Car



National Average: \$1517

- Michigan \$2878
- Louisiana \$2389
- Florida \$2239
- Texas \$2050
- California \$1968



Insure.com

The top three most expensive states stayed the same compared to last year. Louisiana came in second and Florida finished in third. Texas moved up to the fourth spot and California is now the fifth most expensive state in the country for car insurance. There is a \$910 difference between the most expensive state (Michigan) and our number five state (California). That gap shows just how expensive Michigan actually is when it comes to car insurance.

Best Car Insurance Offers For You

Homeowner?
 Multiple Vehicles?
 Good Driver?

There are a number of reasons that these states see super high car insurance rates, everything from unique insurance schemes, high density populations, high numbers of uninsured drivers and costly lawsuits. All of these factors drive up premiums.

The flip side of the coin are mostly rural states that have high levels of properly insured drivers. Maine stayed in the number one spot for cheapest car insurance again this year with an average annual premium of \$912. That's 40% below the national average. New Hampshire was the second-place finisher while Ohio pushed into third, Wisconsin finished fourth and Idaho dropped to fifth.

As you can see, the difference between states can be huge, Michigan drivers are paying an astonishing \$1,966 more on average than drivers in Maine. The national average this year came in at \$1,517 which is an increase of only \$60 over last year (\$1,457).

Search Table

Rank	State	Average premiums
1	Michigan	\$2,878
2	Louisiana	\$2,389
3	Florida	\$2,239
4	Texas	\$2,050
5	California	\$1,968
6	Georgia	\$1,936
7	DC	\$1,928
8	Rhode Island	\$1,918
9	South Carolina	\$1,759
10	Delaware	\$1,757

Use the interactive map below and hover over any state to display the average annual rate, comparison to national average, and the percent of change from last year.

It's not only where you live

Where you live is absolutely a major rating factor for insurers, but it is certainly not the only one. Many of these risk factors are under your control but there are some that fall beyond your sphere of influence.

[Read more about factors that insurers consider when determining your rate](#)

State-specific factors

There are a few factors that will vary by state and will impact your rates.

[Read more about factors that will vary by state and can influence your premium](#)

Most expensive states for car insurance

If you live in any of these states, you'll most likely be paying a higher insurance premium than the rest of the nation. Reasons vary, a unique insurance system continues to plague Michigan drivers while high density, tons of lawsuits and uninsured drivers are problems for the rest of the top five.

Here is a breakdown of the top five most expensive states for car insurance:

#1 Michigan: A unique insurance system runs up costs

Michigan has topped our list for seven years in a row and the state has never managed a finish lower than third since Insure.com started the ratings. This is primarily due to its unique auto insurance system.

The average annual premium in Michigan came in at \$2,878. This is a \$267 bump from last year and put Michigan premiums a shocking 90% above the national average of \$1,517.

Michigan has a unique no-fault car insurance scheme, which is its main insurance cost driver. It requires all drivers to carry Personal Injury Protection (PIP) coverage. PIP helps cover medical

expenses for the policyholder, family members and any passengers in the vehicle that are injured during a car accident.

Michigan is not the only state that uses a PIP insurance system but one factor in their program is the main reason that premiums are so high. The big difference between Michigan and other PIP states is the coverage limits.

Other states with a PIP system have a reasonable limit on PIP coverage amounts. Michigan, on the other hand, guarantees unlimited, lifetime medical benefits to auto accident victims. This dramatically increases an insurer's risk. That risk is passed on to customers via higher premiums.

[Read more about Michigan](#)

#2 Louisiana: Uninsured drivers and expensive lawsuits

Louisiana managed a second-place finish for the fourth year in a row. The Pelican State has been in the top five nearly every year we've done the study (in 2014, it just missed out of the top five). The average premium in Louisiana is \$2,389 this year, which puts it 57% above the national average.

In Louisiana, uninsured and underinsured drivers are the big factor in pushing up rates. Lousy drivers with little to no insurance get into accidents and then sue each other in front of elected judges who are more than happy to side with drivers over insurance companies. This leads to large accident settlements and insurers pass those costs onto all drivers via higher premiums.

Louisiana has a high rate of uninsured and underinsured drivers. An IRC study found that roughly 13% of Louisiana drivers don't have car insurance. In addition, almost 40% are carrying the absolute minimum coverage levels, according to Louisiana Insurance Commissioner Jim Donelon.

[Read more about Louisiana](#)

#3 Florida: Old people, college students and tons of uninsured drivers

The top three most expensive states for car insurance stayed exactly the same as last year with the Sunshine State grabbing third place. The average premium of \$2,239 is 48% above the national average.

One of the biggest factors in Florida is uninsured drivers. According to the IRC study, Florida has the highest rate of uninsured drivers in the nation with roughly 26.7% of drivers without insurance. More uninsured drivers means higher insurance costs for everyone.

Uninsured drivers are not the only problem in Florida. Its population of 21.3 million people has tons of drivers that insurers don't love. Older drivers, tourists and lots of students (Florida has numerous universities) are all considered higher risk drivers, which leads to accidents, claims and higher premiums for residents.

[Read more about Florida](#)

#4 Texas: High density, high speeds and they love to drink and drive

The Lone Star state moved up from the 10th spot last year to finish fourth. The average premium came in at \$2,050 or 35% higher than the national average.

Texas is a hodge podge of reasons when it comes to high insurance rates. High density cities, high speed limits and a high number of auto accidents are all reasons. They also like to drink and drive apparently.

While you may think of Texas as more rural than urban, you would be wrong. Texas is home to three (Houston, San Antonio and Dallas) of the top 10 largest cities in the country. The only other state with three cities in the top 10 is California. Urban areas increase the odds of an accident as more cars are crammed into a smaller space, and lots of accidents lead to high insurance premiums.

[Read more about Texas](#)



#5 California: Sun, sand and many of the same problems as Texas

California shares many of the same risk factors as Texas, which explains why it moved up one spot from sixth place to the top five. Car insurance runs \$1,968 in California or 30% above the national average.

California has 39.5 million residents and three cities in the top 10 largest cities in the country. There are 26 million drivers in the state with car insurance, which puts a lot of people out on the road at the same time, high density leads to accidents and claims, pushing up everyone's premium.

Crime rates in some of the larger California cities tend to be much higher than in rural areas and that can lead to higher rates for comprehensive coverage, which pays out if your car is vandalized or stolen.

[Read more about California](#)



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Cheapest states for car insurance

Most of our cheapest states for car insurance tend to be smaller and less populated. Lower population density leads to fewer accidents and claims, which lowers premiums for everyone.

#1 Maine: Rural, low uninsured rate, competitive market

Maine stayed in the top spot for the second year in a row with an average premium of \$912, which puts it 40% below the national average. Maine has been in the top five of cheapest states for the last eleven years, minus 2018 when it came in 13th cheapest.

[Read more about Maine](#)



#2 New Hampshire: Competitive market, median density

New Hampshire jumped from sixth place to second. The average premium in the Granite State is only \$985 a year, making it 35% cheaper than the national average.

New Hampshire is a bit of an anomaly when it comes to car insurance. It is one of only two states that don't require residents buy car insurance. "While the state law does not specifically require you to carry car insurance, it does mandate that you are able to show sufficient funds to adhere to state financial responsibility requirements or face license suspension," notes Gusner. "The easiest way to provide proof of financial responsibility as a driver is with a car insurance policy."

[Read more about New Hampshire](#)



#3 Ohio: Heavy competition lowers car insurance rates

Ohio moved up from the 10th cheapest state last year to the number three spot this year. The average premium in Ohio hit \$1,034 this year, which is 32% below the national average.

Ohio likes competition and has a large and competitive base of insurers. Ohioans can choose from roughly 250 insurers writing car insurance policies in the state, which can make finding affordable insurance easier than in other states.

[Read more about Ohio](#)



#4 Wisconsin: Semi-rural, moderate weather, competitive market keep rates low

Wisconsin dropped two spots – it ranked second last year -- to become the fourth cheapest state for car insurance. The average premium is \$1,049 this year, putting it 31% below the national average.

Wisconsin is a bit of a mystery when it comes to cheap car insurance. It doesn't get the extreme weather of Florida or Texas, but it's certainly no stranger to snow and the occasional tornado. Flooding is often an annual issue as well but despite all these factors, car insurance in the Badger State is very affordable.

It should be pointed out that flood damage is covered by comprehensive car insurance, which is never a state-required coverage. However, if you're not carrying this coverage and your car is flooded, you will be on the hook to repair or replace your vehicle.

[Read more about Wisconsin](#)



#5 Idaho: Very rural, very few drivers, low uninsured rate

Idaho dropped to fifth place after finishing third for three years in a row. Idaho's average premium was up to \$1,062 this year, which is 30% below the national average.

Not much has changed in Idaho since last year and the reasons car insurance is so cheap there still stand up. Idaho is sparsely populated and mainly rural, which leads

to lower car insurance rates. Idaho is the seventh least dense state in the country with roughly 20 people for every square mile.

Idaho drivers rarely hit the road without insurance, only 8% are cruising around without insurance. Idaho is pretty immune from major weather which helps, and they have a very competitive insurance market with over 185 insurers writing policies in the state. All of this leads to low insurance premiums.

Cheap rates in any state

Regardless of whether you live in an expensive state or a cheap state, finding a better insurance rate is everyone's goal. The absolute best way to do that is to shop your coverage on a regular basis.

Shop at least three insurers and always make sure you're comparing apples to apples when it comes to coverage levels and deductibles. You don't need to wait until our state rankings come out to shop your coverage. Any life event is a good reason to shop around looking for a better deal on car insurance.

"Always shop around when there is a life event that would spark rate changes," advises Gusner. "This could be a wedding, a teen going on your policy, adding a car, getting rid of a car or even having to file a claim on your policy. All of these incidents can make the current insurer you're with not the best option for your latest needs," she continues.

When buying a new car, it's always wise to shop for insurance as you look for the car so the premium cost won't bust your budget. You can see rates for more than 3,000 models with our [average rates tool](#) for 2020 vehicles or if buying used, check out our [average rates for used vehicle tool](#).



Average cost of car insurance by state

