

Car insurance is getting even more expensive in Los Angeles. Here's why

NBC Los Angeles

Motorists in the Los Angeles area are paying over 25% more for their insurance, compared to last year.

Many California drivers may be feeling squeezed by the rising costs of insurance as premiums are being fueled by inflation, traffic volume, accidents and crime, according to a consumer expert.

Joel Laucher with United Policyholders, a consumer advocacy nonprofit, said costs for auto seem to be accelerating at a faster rate than before largely because of inflation.

"We have newer cars sometimes that have some components that we haven't had so much in the past," Laucher said. "Electric cars — they have been production issues."

Post-pandemic factors are also playing a role as insurance companies are feeling the impact with a higher volume of traffic compared to several years ago.

"When rates increase, it's generally because losses are going up. And losses go up either because the cost is going up to do repair or replace cars or the frequency of accidents is increasing," said Laucher.

According to the consumer financial company Bankrate, Los Angeles drivers are paying 26% more compared to last year and have rates higher than the rest of the state. On average, full coverage in LA costs \$3,600 a year compared to \$2,600 statewide.

"Everything else is pretty expensive already. And then insurance also going up is pretty crazy," Miguel Serna, an LA area resident, said.

"It's been really hard getting by just in general and the fact that these insurance rates are going up too, it's making living unaffordable," said another motorist, Evin Gregor.

For many people, car insurance is an unavoidable expense that has many looking for ways to budget.

"I'm moving up into college, so I need to make sure to save money. But with all the expenses in the world already, and gas and not just that, stuff like that is very expensive now. So it's kind of hard," said Serna.

"I got to get a side hustle going. That's what I got to do," said Sherry Palmer, a driver in LA.

Laucher says urban areas typically have more traffic and crime, which often lead to higher premiums compared to rural cities.

His advice to keep rates low is to maintain a good driving record.

"Drive as well as you possibly can safely to avoid accidents. Try to secure your vehicle. If you have a garage, try and use it," said Laucher.

Laucher recommends people shop around to compare different insurance rates, consider raising their deductible and to ask their insurer if they have any discount options available.

The California Department of Insurance offers a low-cost insurance program for qualified drivers.