

Press Release: Most and least expensive states for minimum car insurance coverage

March 21, 2016 (Foster City, Calif.) – It’s expensive to insure a car in Michigan, Delaware and Connecticut. Drivers in those three states pay the most for bare-bones car insurance coverage, according to an analysis of car insurance rates across the country.

CarInsurance.com, an independent quote-comparison website, analyzed rates for a 2015 Honda Accord in 10 ZIP codes for each state to find the average rate for state-mandated minimum coverage.

The article “[How to get the cheapest car insurance](#)” lists average annual rates for the cheapest car insurance in every state. The top 5 most expensive states for minimum car insurance coverage, on average, per year, are:

1. Michigan: \$2,446
2. Delaware: \$1,520
3. Connecticut: \$1,097
4. New Jersey: \$1,086
5. Florida: \$1,058

The top 5 least expensive states for minimum car insurance coverage, on average, per year:

1. North Carolina: \$385
2. Hawaii: \$386
3. Iowa: \$403
4. Wyoming: \$410
5. Alaska: \$426

Minimum coverage rates vary so dramatically among states for a number of reasons. “The amount of coverage you must have to drive legally is different for each state, so that comes into play,” said Michelle Megna, managing editor

of CarInsurance.com. “Also, some states have more urban areas and more accidents, or more uninsured drivers than others, so the risk to the insurer is higher in those states. That means rates would generally be higher in those states, too. Finally, each company uses its own formula to set rates, which is why policy costs vary so much regardless of the level of coverage you get.”

Liability insurance: the basics of bare-bones coverage

Each state sets the minimum amount of car insurance you must have to drive legally. Laws vary by state, but typically the cheapest car insurance you can get is liability insurance at your state mandated limits.

This will cover others’ medical expenses and property damage up to amount of the coverage. Liability limits are usually written like this: 30/60/25. In this example, using North Carolina minimum requirements, the numbers show coverage that would pay:

- Medical expenses of up to \$30,000 per person
- Medical expenses up to \$60,000 per accident
- Up to \$25,000 for property damage

Cheap car insurance: 3 scenarios when it makes sense

“Buying minimum car insurance coverage isn’t usually a wise strategy because the amount of protection is very low,” says Megna. “Even a minor accident can put your home and savings at risk because you will have to pay out-of-pocket for damages beyond what your insurer pays out. Still, there are times when bare-bones coverage will suffice. The smart driver knows what those are.”

Here are three scenarios in which having minimum coverage may be a good choice:

1. Your car is old and not very valuable.

Collision and comprehensive coverages are optional. Collision pays to fix your car if you’re in an accident. Comprehensive pays for damage from fire, floods, fallen objects, animal strikes, vandalism and to replace stolen cars.

Both only pay out up to the actual cash value of your car. That's why you can skip these coverages and just buy liability if your car isn't worth much.

2. You don't drive much.

The less you drive, the lower your chance is of having an accident, so minimum coverage may suffice if you log few miles on your car.

3. You don't own a home or have assets or savings to protect.

If you cause an accident, you may be sued to recover damages that exceed your insurance pay out. This would put your home and other assets in jeopardy. However, if you don't have much to seize, you are less likely to be sued.

"Just be warned, however, that even if you're living paycheck-to-paycheck, an insurance company may still ask a judge to garnish your wages," says Megna. "And you run the risk of having a judgment against you that can ruin your credit for years to come."

It's wise to shop around even when buying cheap insurance

Every car insurance company has its own base rate and does its own calculations when deciding what you pay, which is why it's important to comparison shop to get the best car insurance rates.

Read the full article "[How to get the cheapest car insurance](#)" to see rates and state minimum requirements for all states. You'll see more information on how to save on car insurance even if you want to buy more protection.

Methodology:

The state-by-state table shows the average annual rate of 10 ZIP codes for a 2015 Honda Accord in the state for minimum coverage from the following carriers, in no particular order: Progressive, Allstate, State Farm, Nationwide, GEICO and Farmers.

In some states, uninsured/underinsured motorist coverage and/or personal injury protection/medical payments coverage is mandatory in addition to

liability. For those states, these coverages are included in our average rate shown in the chart, though we list just the state minimum levels for liability.

Data was provided for CarInsurance.com by Quadrant Information Services. New Hampshire doesn't require drivers to have car insurance, but most drivers do, and we've listed what is mandated if you choose to carry coverage.

About CarInsurance.com

CarInsurance.com, an independent quote comparison website, has been offering drivers expert advice about the different types of car insurance and how to shop for them since 2003.

Using a combination of industry expertise and information drawn from thousands of online quotes delivered without obligation each month, CarInsurance.com is a source for unbiased answers and data about what consumers should expect from an insurance policy.

The site lets consumers compare multiple car insurance quotes online and purchase a policy online in minutes. CarInsurance.com is owned and operated by QuinStreet, Inc. (NASDAQ: QNST), one of the largest Internet marketing and media companies in the world.

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