



Why Rising Auto Insurance Premiums Are Creating More Shopping Opportunities For Insurance Agents

Description

By James Schulze

This article discusses the factors that are driving auto insurance premiums higher, leading more consumers to shop for new auto insurance policies. It also encourages agents to buy auto insurance leads to find intentful, in-market consumers and then apply strong sales processes and consistent follow-up to close more deals.

Auto insurance premiums have increased dramatically over the past several years. According to the Bureau of Labor Statistics highlighted by NPR, average auto insurance premiums have skyrocketed [55%](#) since February 2020. Inflation, higher repair costs, expensive vehicle technology, rising medical expenses, severe weather, and increased accident claims have all contributed to higher insurance costs. As consumers receive larger renewal notices, many are asking the same question: “Can I find a better rate?”

For insurance agents, that’s creating one of the strongest shopping environments the industry has seen in years. While higher premiums can frustrate consumers, they also encourage millions of drivers to compare policies, creating new opportunities for agencies with a consistent source of qualified auto insurance leads.

What is driving auto insurance premium increases?

Auto insurance premiums are increasing quickly and dramatically for several reasons, including:

- **High cost of tech** — Cars have effectively become computers on wheels. If a driver gets into a minor fender bender, a bumper replacement no longer just requires plastic and paint. It now requires replacing and recalibrating complex blind-spot sensors, cameras, and radar equipment.
- **EV repair costs** — The rapid adoption of electric vehicles (EVs) has compounded this issue. While EVs require less routine maintenance, their specialized battery packs and structural

designs make them exponentially more expensive to repair or safely declare as a total loss after a collision.

- **Labor and parts shortages** – Lingered supply chain issues and a prolonged shortage of skilled mechanics have driven up mechanic shop labor rates and the cost of replacement parts, forcing insurance companies to pay significantly more per repair hour.

Agents need to understand the key drivers to develop scripting to convert consumers to their carriers. Auto insurance leads are critical to start the conversation, but the agent script closes the deal.

Consumers are shopping more than ever

Consumers are shopping for new auto insurance policies at extremely high rates. Data from the LexisNexis U.S. Auto Insurance Trends Report corroborates this massive engagement, noting that nearly [45%](#) of all active, in-force insurance policies across the nation were actively cross-shopped at least once.

When premiums increase significantly, many drivers begin comparing carriers, requesting quotes, and looking for discounts. For insurance agents, this creates a steady flow of consumers actively seeking alternatives. Rather than convincing someone they need auto insurance, agents should focus on consumers who are already motivated to evaluate their options. Auto insurance leads provide a compliant entrance for an agency into this growing market.

Price isn't the only reason consumers switch

While rising premiums are the biggest driver, they're not the only reason consumers shop for new coverage. Many consumers also compare policies after:

- Purchasing a new vehicle
- Adding a teenage driver
- Moving to a new home
- Getting married
- Improving their credit
- Bundling multiple insurance products

Each of these life events creates another opportunity for insurance agents to earn new business. When trying to close a consumer, an agent's script is critical. Probing questions at the front of a conversation can align the agent with the consumer's goals.

Shopping activity creates lead demand

When more consumers shop for insurance, agencies need more opportunities to speak with them. That is why auto insurance lead demand often increases during periods of premium growth. Consumers requesting quotes online, responding to advertisements, or calling insurance providers become valuable opportunities for agencies looking to expand their customer base.

For agencies with a proven sales process, increased shopping activity can translate into increased production. Matching the lead type to the sales process is critical. For an agency with an established

group of openers that transfer interested consumers to a team of closers, data leads work the best. If an agency uses a one-step sales process, and the auto insurance lead goes to a closer, inbound calls are ideal.

Auto insurance is a relationship business

Winning a customer's auto insurance policy is often just the beginning. Many agencies use auto insurance as an entry point to build long-term relationships with consumers. Once a consumer is established, agents may also discuss:

- Homeowners insurance
- Renters insurance
- Umbrella policies
- Life insurance
- Final expense insurance
- Health insurance (U65 and Medicare)

The goal isn't simply writing one policy. It's building a long-term client relationship. Again, this is a matter of scripting. Agents close deals, not leads. Leads are simply the introduction to an in-market consumer. An insurance agency should regularly role-play and pressure test opening and closing scripts for effectiveness.

Aged auto insurance leads continue to offer value

Not every consumer purchases coverage immediately. Many shoppers compare multiple carriers before making a decision, while others delay changing policies until their next renewal. That's one reason aged auto insurance leads continue to perform well.

Consumers who requested quotes in the past may still be looking for savings or may be ready to revisit their options when contacted by an experienced agent. Another reason aged leads can work well is that many times consumers are shopping for auto insurance in advance of a vehicle purchase. Considering the cost of auto insurance, picking a car that is affordable to insure is more important than ever. Many aged leads are consumers who were once shopping for future purchases, and proper scripting can help an agent determine the reason for the initial opt-in. For many agencies, aged auto insurance leads provide an affordable way to generate consistent sales opportunities while maintaining a strong return on investment (ROI). For more information on aged auto insurance leads and other lead options, read our [blog](#), "What Are Auto Insurance Leads? A Complete Guide For Insurance Agents."

Consumers still want personal advice

Online quote tools have made comparing insurance easier than ever. However, many consumers still want to speak with a licensed insurance professional before making a decision. Questions about coverage limits, deductibles, uninsured motorist protection, bundling opportunities, and available discounts often require guidance from an experienced agent. This creates ongoing demand for agents who can respond quickly and provide knowledgeable advice. It also creates numerous follow-up opportunities. Proper dispositioning of leads that don't close can guide an agency in appropriate and timely follow up to reactivate deals.

Choosing the right lead partner

As shopping activity increases, selecting the right lead provider becomes even more important. Agents should look for lead providers that offer:

- Accurate consumer information
- Transparent lead sourcing
- Flexible purchasing options
- Strong compliance standards
- Consistent lead delivery

The best lead partner helps agencies build a predictable pipeline of qualified consumers rather than simply selling names.

Why insurance agencies choose The Leads Warehouse

The Leads Warehouse helps insurance agencies connect with consumers actively shopping for auto insurance. Whether you're looking for auto insurance aged leads, real-time leads, inbound calls, or broader insurance lead solutions, we help agencies maintain a consistent flow of qualified opportunities throughout the year to drive desired ROIs (for more information on auto insurance lead pricing by lead type, read our [blog](#), "Auto Insurance Leads Prices In 2026 - What Agents Should Expect To Pay").

Conclusion

Higher auto insurance premiums have created challenges for consumers, but they have also created opportunities for insurance agents. As more drivers compare rates and shop for better coverage, agencies with a consistent lead generation strategy are well positioned to grow. By combining quality auto insurance leads with a disciplined sales process and excellent customer service, agents can turn today's shopping environment into long-term business growth. Are you ready to talk about how you can grow your auto insurance sales pipeline?

About the author

James Schulze is the President and CEO of The Leads Warehouse, a marketing data company with over 20 years of experience in bringing lead generation solutions to companies selling into the home, automotive, financial, insurance, health and life, and legal sectors. He works directly with clients to optimize conversion strategies and ROI across multiple verticals.

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If you would like more information on how you can grow your [auto insurance](#) sales, give The Leads Warehouse a call at **1-800-884-8371** or visit our website at <https://theleadswarehouse.com>.

Date Created

2026/08/05
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