

# LexisNexis® Insurance Demand Meter

A quick look at  
auto insurance  
shopping trends



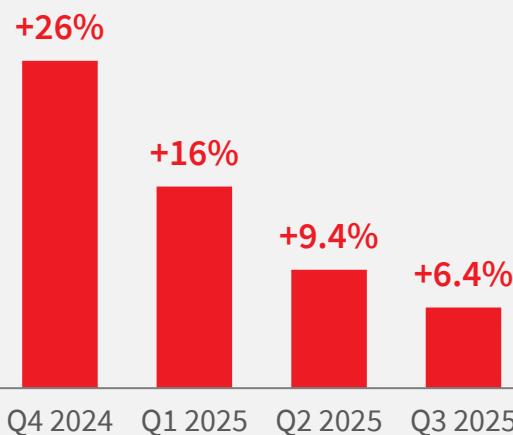
ISSUE #24

## Overview

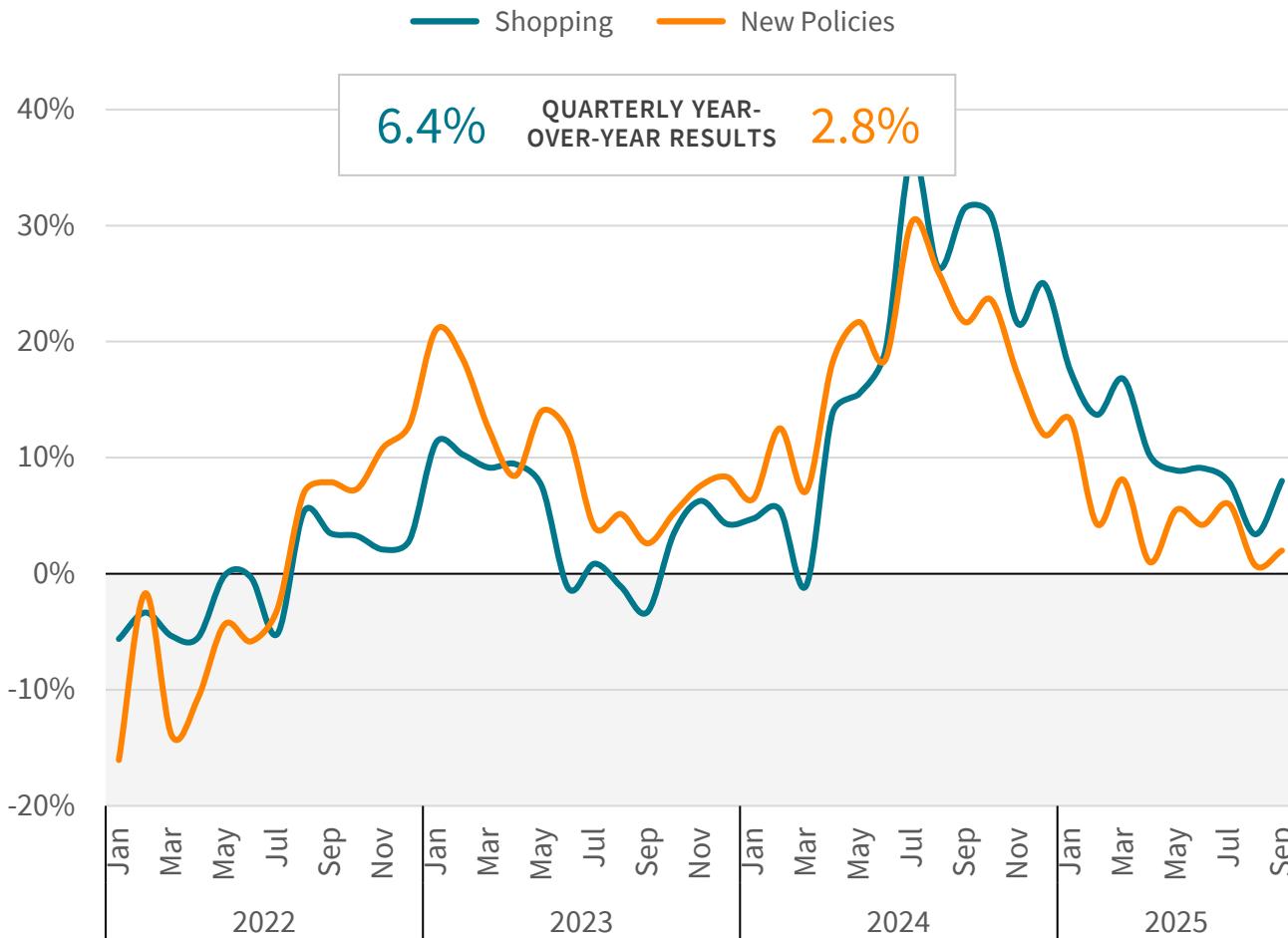
Elevated readings dominated the LexisNexis® Insurance Demand Meter in the third quarter of 2025. Quarterly year-over-year U.S. auto policy shopping clinched another “Hot” reading on the Demand Meter and rose 6.4%, but it was down from the 9.4% increase insurers saw in Q2. New business growth remained in “Warm” territory, as it increased 2.8%, but it was down from Q2’s 3.6% increase (See Chart A).

The market continues to hurdle record-breaking activity from 2024, though growth has slowed.

**Shopping growth remains positive but is leveling off**



## YEAR-OVER-YEAR CHANGE IN SHOPPING AND NEW POLICIES



### SHOPPING CHANGE – Q3 2025



The shopping growth rate was +6.4% for Q3 2025 (down from +9.4% last quarter).

### NEW POLICY CHANGE – Q3 2025



Growth for new policies was +2.8% for Q3 2025 (down from +3.6% last quarter).

## Shopping Superlatives in a Dynamic Market

The 66 and older shoppers, the non-standard market and the dominance of the direct channel continued to bolster Q3's U.S. auto policy shopping activity with the highest growth rates.

While channel-specific performance showed mixed results, the direct channel demonstrated strong growth at 14.1%. Exclusive and independent channels experienced declines compared with Q2, with exclusive channel growth sliding to -0.8%, and independent channel growth dropping to 2.8%.

Non-standard shoppers, while comprising a smaller portion of the market, helped inflate growth numbers with a quarterly year-over-year increase of 18.6% compared with their standard shopper counterparts, who grew more modestly at a rate of 5.6%.

In Q3, shopper age correlated closely with upticks in growth, with older shoppers consistently out-shopping and influencing growth more than younger cohorts (see Chart B). Consistent with recent quarters, the 66+ cohort led the pack, achieving more than 10% growth.

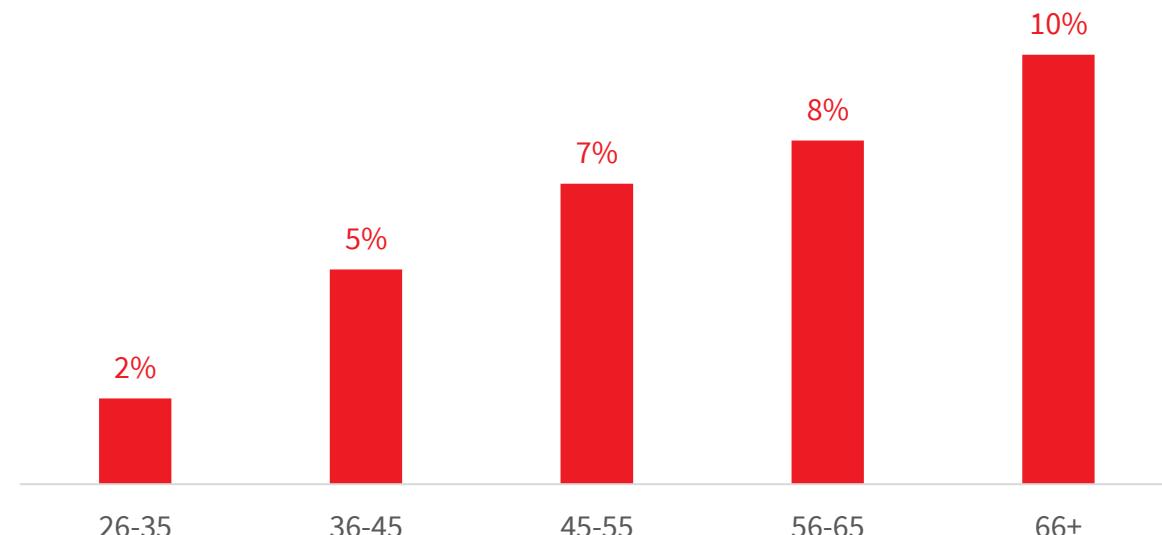
Each of these factors helped influence an eighth consecutive quarter of an annual shop rate that either tied with or topped the past quarter's number. In Q3, like in Q2, the market saw that 46.5% of policies-in-force were shopped at least once in the previous 12 months (See Chart C).

## EIGHTH

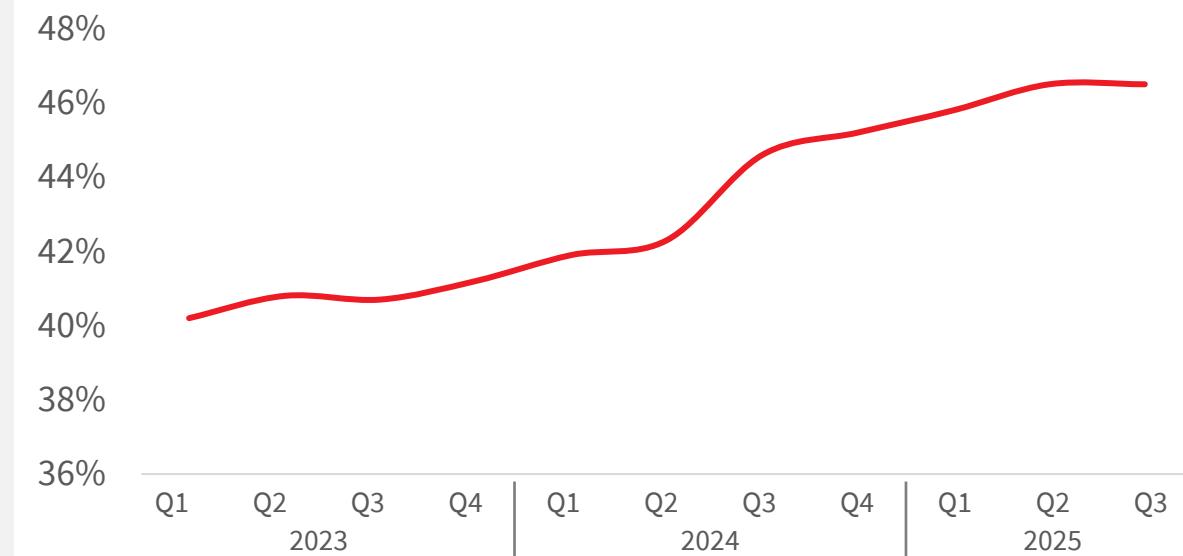


consecutive quarter of an all-time high annual shop rate or one that tied with the previous quarter

### ANNUAL GROWTH RATE OF SHOPPING BY AGE



### ANNUAL SHOP RATE CONTINUES TO CLIMB

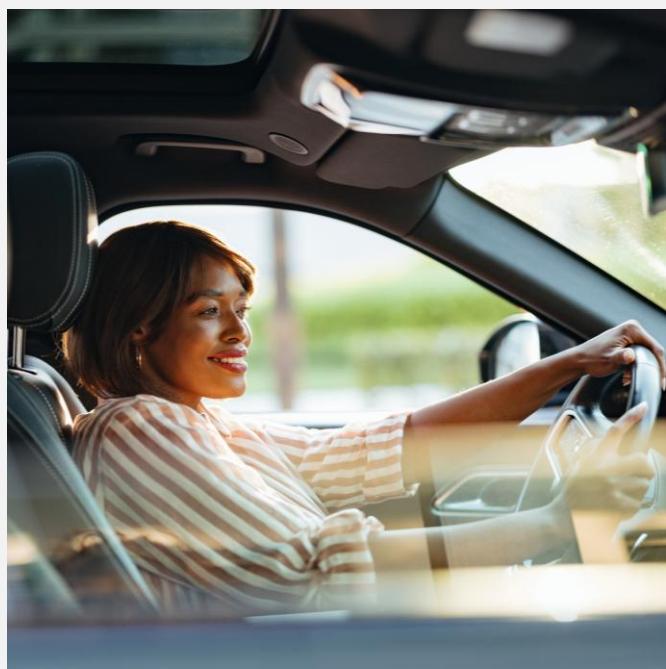


B

C



## ONCE-SIDELINED SHOPPERS



## WAITED, NOT BAITED



### Market Snapshot: The Likelihood of Repeat Shopping

The unprecedented growth insurers have witnessed over the past three years has largely been driven by rate increases, the reactivation of marketing programs and the activity exhibited by shopping groups who have traditionally been less active.

With conditions driving longer-tenured consumers into the market for the first time in years, LexisNexis® Risk Solutions wanted to answer a question on the forefront of insurers' minds—once consumers shop, are they more likely to shop again?

To extract insights from the data, our teams conducted an analysis of policyholders who had not shopped from July 2023 to June 2024. They were assigned to one of two cohorts depending on whether they shopped their auto policy in July of 2024. Those who shopped within the specified timeframe were labeled *Once-Sideline Shoppers*, and those who did not joined the *Waited, not Baited* cohort.



The analysis revealed that when the *Once-Sideline Shoppers* went to market, they were then twice as likely to shop again, particularly within the next six months, when compared to the *Waited, not Baited* cohort.

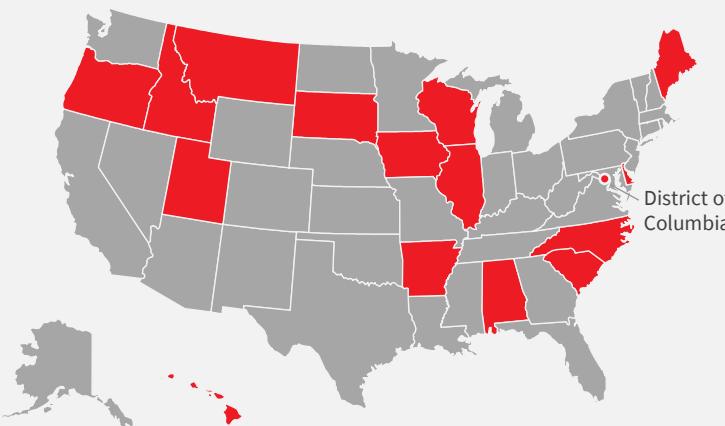
This may mean that when consumers see how easy shopping policies can be, they're more likely to hit the market in the future.

Stay tuned for more insights as LexisNexis Risk Solutions tracks the behavior of these cohorts over the next few quarters.

## State Growth and Influencers

In Q2, Wyoming was the only state to experience an increase in shopping growth rate higher than the previous quarter, but in Q3, 15 states and the District of Columbia achieved this designation.

### States with an increase in growth rate over the previous quarter



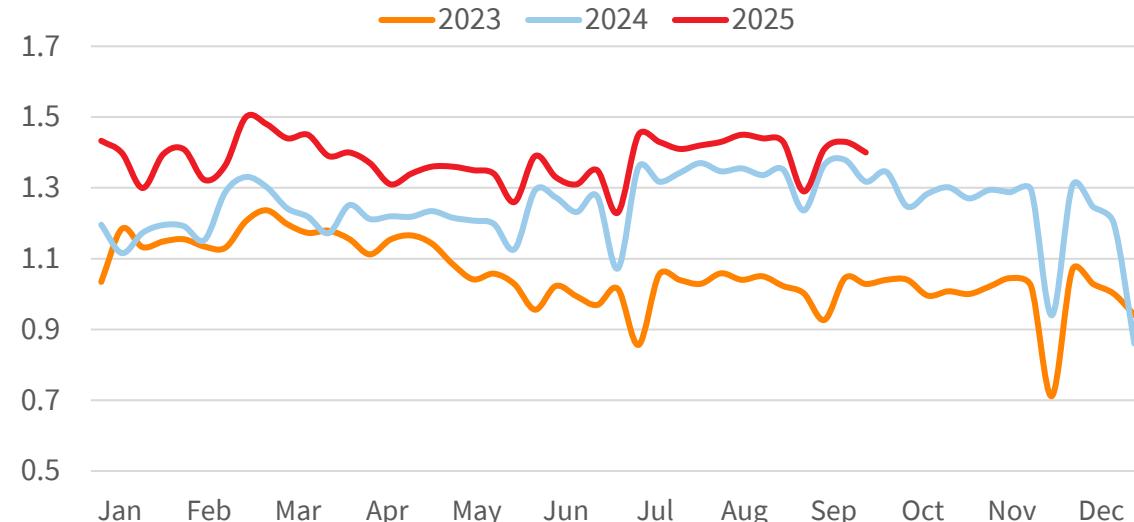
Additionally, New Jersey (16%) California (11%) and Texas (10%) experienced double-digit increases, which helped boost overall shopping growth.

## Rate Activity Breakdown

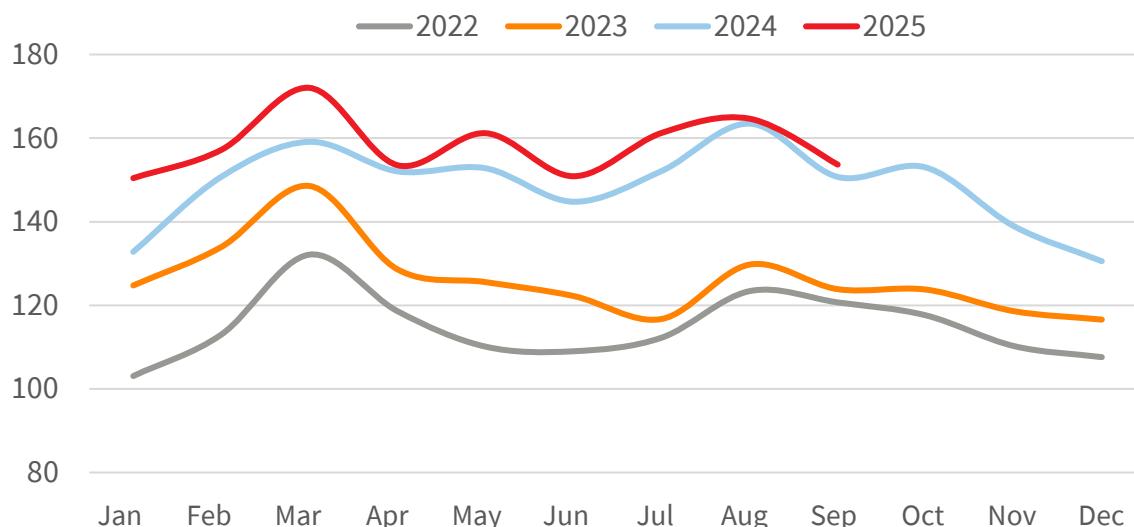
As in Q2, rate decreases paired with targeted marketing attracted savvy shoppers into the market and pushed them over the purchasing line (See Chart E). In Q3, about one-third of rate revisions that went into effect for the top 25 carriers were decreases, with the weighted average rate decrease clocking in at -4.2%<sup>1</sup>.

By contrast, 35% were increases, (+5.1% average) and 31% were rate neutral. This materialized to a -0.2% overall rate impact among the top 25 carriers<sup>1</sup>.

## WEEKLY SHOPPING



## ANNUAL NEW POLICY VOLUMES





## Looking Ahead

In Q3, increased targeted marketing, new rate decreases, the expiration of the electric vehicle (EV) tax credit and the race to beat impending tariffs helped draw price sensitive consumers into the market. In the final quarter, the industry typically sees less shopping due to holiday-driven lulls. However, the final quarter of 2024 bucked that trend. This year has managed to top 2024's record-breaking shopping, so it will be interesting to see how the last three months of 2025 unfold and whether shopping will slow, or whether the hot streaks will continue.

1. Source: S&P Global Market Intelligence (and its affiliates, as applicable)

The LexisNexis Insurance Demand Meter is a quarterly analysis of shopping volume and frequency, new business volume and related data points. LexisNexis Risk Solutions offers this unique market-wide perspective of consumer shopping and switching behavior based on its analysis of billions of consumer shopping transactions since 2009, representing ~90% of the universe of shopping activity.



### Jeff Batiste

Senior Vice President and General Manager, U.S. Auto and Home Insurance

“The accelerating shopping activity among consumers aged 66 and older is a signal insurers can't afford to overlook. Policyholders who once remained loyal and inactive are increasingly entering the market. **With annual shopping rates rising in recent quarters, carriers should ensure their segmentation strategies are precisely aligned with underwriting appetite.**“



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