

LexisNexis® Insurance Demand Meter

A quick look at
auto insurance
shopping trends



Q1 2020 | ISSUE #1

For more information , visit www.risk.lexisnexis.com/demandmeter, or call 1-800-869-0751.

The annual shop rate for 2019 was higher than ever before.

In 2019, we saw the most shopping activity since we began tracking shopping patterns in 2009. The number of shoppers in 2019 grew 2.4% over 2018, driven largely by an uptick in shopping in the second half of 2019. The year-over-year (YoY) growth rate increased in both Q3 and Q4, nearing the 5-year historical average. The Q4 growth rate was spurred by a monthly YoY spike of 9.7% in December, marking the largest YoY monthly surge since Dec. 2018, most likely due to targeted rate increases.

“Historically, similar upticks in quarterly shopping activity have seen quarterly shopping growth remain strong for several ensuing quarters.”

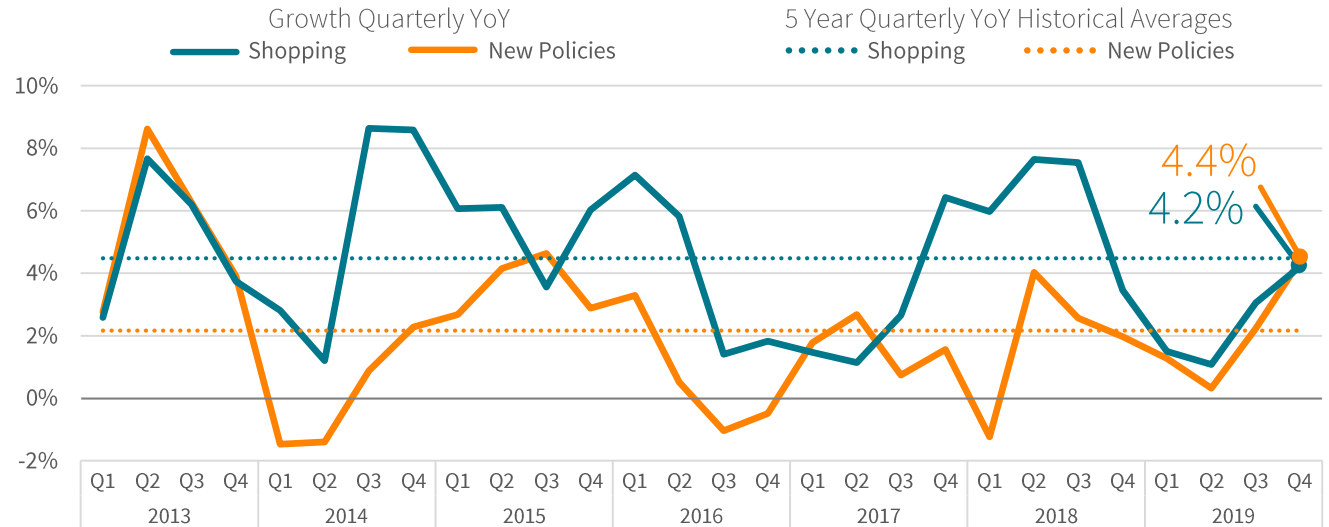
– Tanner Sheehan, Associate VP, Auto Insurance

The Q4 new business growth rate is the third highest YoY quarterly spike in history.

New business volume also reached new heights, with 2019 annual volumes coming in 2% higher than 2018. The YoY growth rate for Q4 2019 was 4.4%, dramatically higher than 2019’s trough of 0.3% in Q2, and double the Q3 growth rate of 2.2%. Interestingly, the growth in both new policies and shopping moved in lock-step for each quarter in 2019.

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 6.5 billion consumer shopping transactions since 2009, representing ~90% of the universe of shopping activity.

QUARTERLY YEAR-OVER-YEAR (YoY) CHANGE IN SHOPPING AND NEW POLICIES

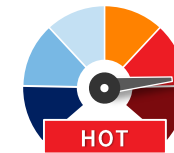


SHOPPING CHANGE — Q4 2019



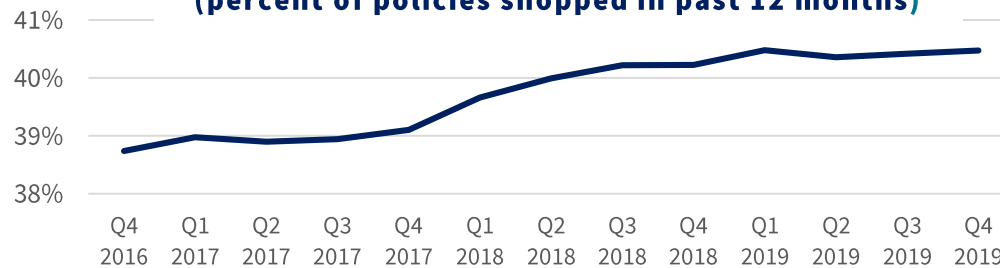
The year-over-year shopping growth rate for Q4 2019 was **4.21%**, a 22% increase from Q4 2018., but down 20% compared to the 5-year Q4 historical average.

NEW POLICY CHANGE — Q4 2019



The annual new policy change for Q4 2019 was **4.40%**, a sizzling 123% increase from Q4 2018. Looking at the 5-year historical average for Q4, 2019 is up an incredible 168%.

SHOPPING RATE OVER TIME (percent of policies shopped in past 12 months)



Shopping rate is calculated by the percent of policies in force on Jan. 1st that had at least one driver shop in previous year.



The annual shop rate for 2019 was 40.4%, up slightly from 40.2% in 2018, and the highest rate we have ever seen.