LexisNexis® Insurance Demand Meter

A quick look at auto insurance shopping trends

ISSUE #26

LexisNexis® RISK SOLUTIONS

Working Together *for a* Safer, Smarter Tomorrow™

Overview

In the first quarter of 2026, increases in U.S. auto policy shopping and new business growth lost steam as they shifted from “Hot” to “Warm” territory on the LexisNexis® Insurance Demand Meter. Quarterly year-over-year U.S. auto policy shopping clocked in at 3.2%, a decrease from the 6.9% seen in Q4 of 2025, and new business growth hit 3.6%, down from the 7.1% jump seen in 2025’s final quarter.

While the first quarter did not usher in explosive shopping and switching growth increases, shopping is still significantly elevated relative to historic levels (Chart B).

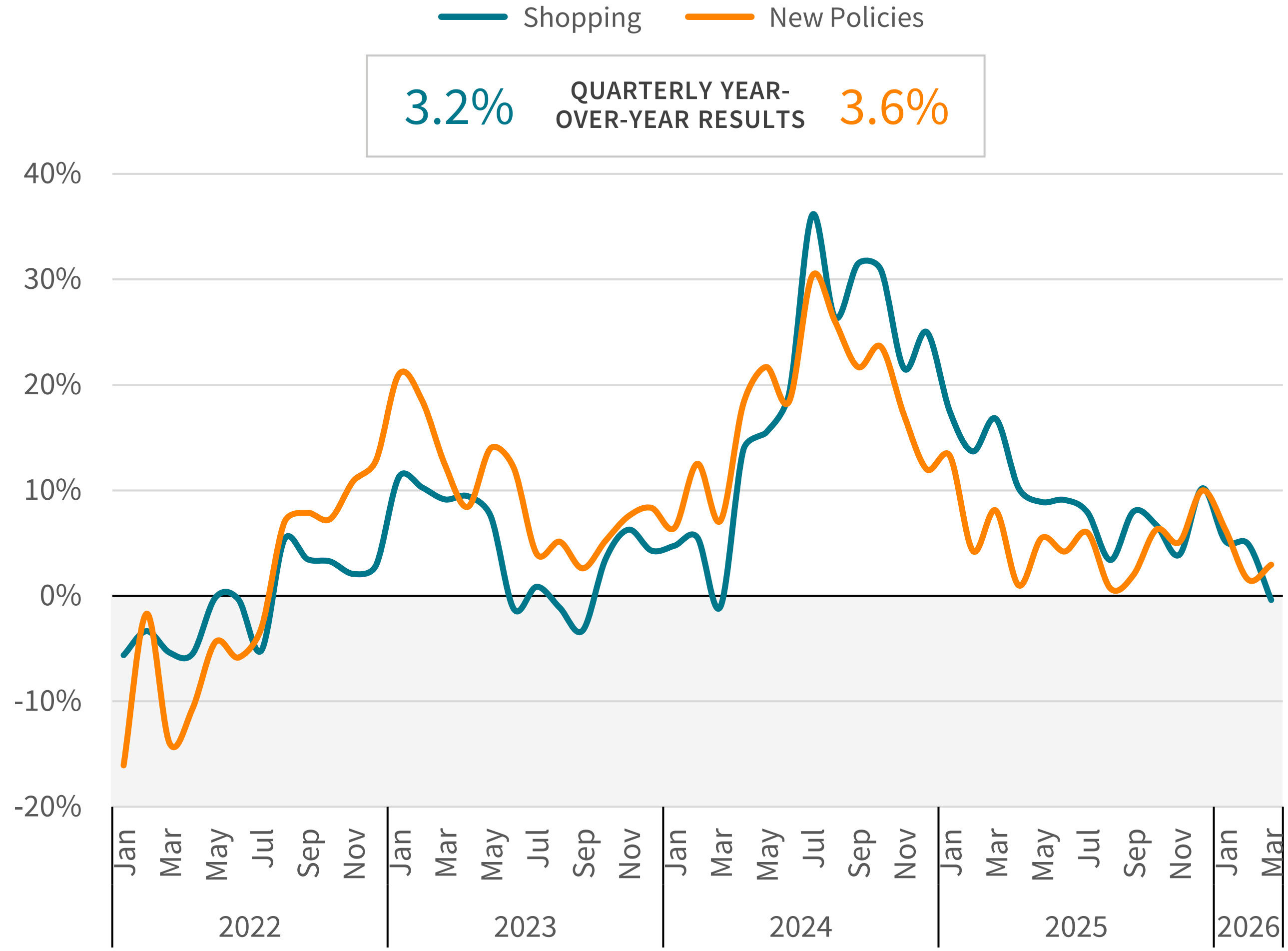
Growth slowed, but activity stayed strong

New policy growth retracted to the levels from the middle of 2025, (See Chart A) and shopping growth mirrored levels seen prior to the premium increases that began rippling through the market in early 2024, with shopping growth turning negative in March.

Overall, the deceleration in growth suggests that consumer shopping behavior is stabilizing, likely a result of rate decreases, along with impacts from winter storms and diminished vehicle sales. Stabilization is also reflected in the recent flattening of retention rates among auto policyholders (Chart D). In March, the vehicle sale slump was in sharp contrast to the purchasing surge from March of the previous year when tax refunds and efforts to outrun vehicle tariffs yielded a shopping boost.

A

YEAR-OVER-YEAR CHANGE IN SHOPPING AND NEW POLICIES



SHOPPING CHANGE — Q1 2026

The quarterly year-over-year shopping growth rate was +3.2%, down from +6.9% in Q4 2025.

NEW POLICY CHANGE — Q1 2026

The quarterly year-over-year growth for new policies was +3.6%, down from +7.1% in Q4 2025.

LexisNexis Insurance Demand Meter – Trends from Q1 2026

Issue #26 SUBSCRIBE

LexisNexis® RISK SOLUTIONS

The Annual Shop Rate Hits a New High

Even with shopping growth slowed, the market continued to hurdle the unprecedented growth of the past few years.

47.3% **of policies-in-force had been shopped at least once in the past 12 months as of Q1 2026** (See Chart C), which marked a new all-time high on the Insurance Demand Meter since its inception in 2020, when the annual shop rate was 41%.

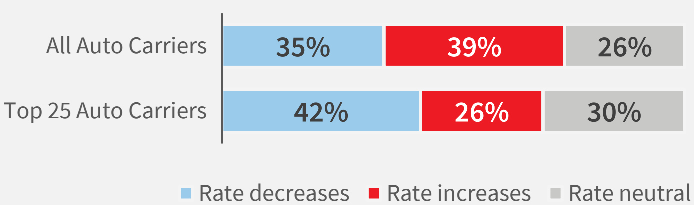
While the industry growth is strong, rate decreases are wielding an impact; however, unlike premium increases that pushed consumers into the market to shop, premium decreases are offsetting frenzied shopping and creating more modest market activity.

Rate Revisions

Among all rate revisions that went into effect in Q1 2026, 35% were rate decreases, 39% were rate increases and 26% were rate-neutral. The aggregate rate change in Q1 was -1.1%, with decreases averaging to -5.1%, and the average increase settling at 3.9%[1].

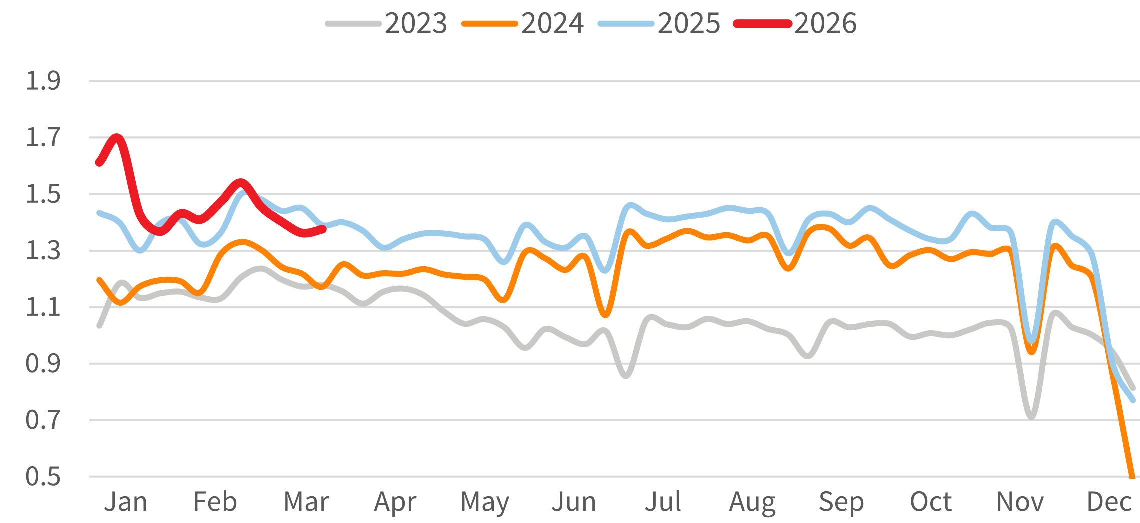
Those percentages closely mirrored the activity seen among the Top 25 auto carriers, where 42% of rate revisions were decreases, 26% were increases and 30% were rate-neutral. Average decreases fell to -5.0%, while increases rose to 4%[2].

Rate revisions effective Q1 2026



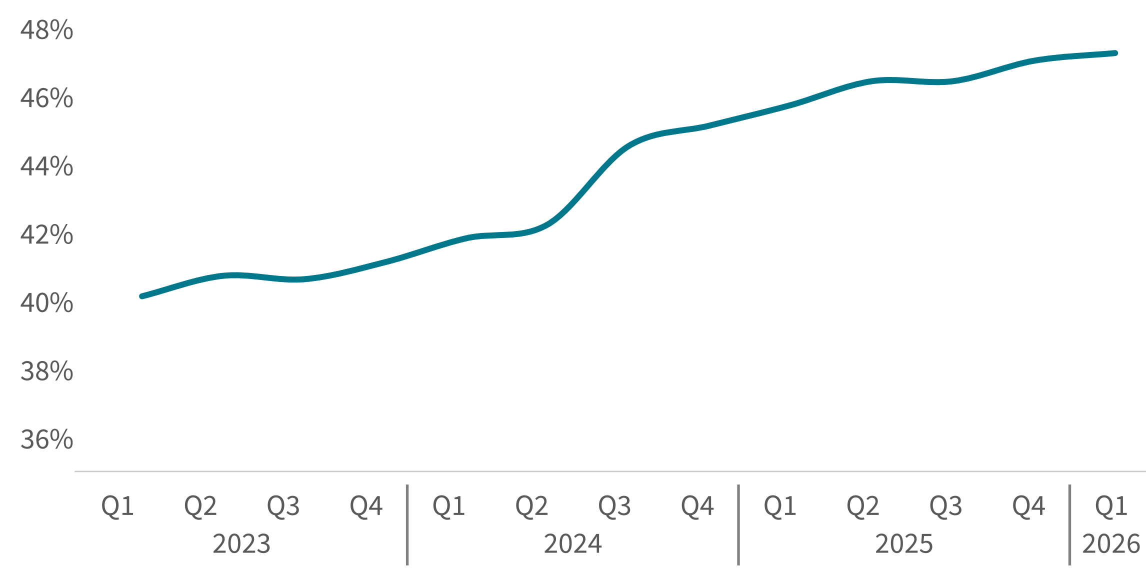
B

WEEKLY SHOPPING INDEXED VOLUME



C

ANNUAL SHOP RATE CONTINUES TO CLIMB



Spotting Slowdowns Impacting Trends

The direct channel continued to dominate channel growth at 9.4%, but the exclusive channel also made gains. Shopping through exclusive agents grew 5.6%, which was up from 5.3% in Q4 2025 and marked the second consecutive quarter with a positive growth rate for that channel. The independent channel experienced a more significant downturn in Q1, dropping -7.9%. This marked a further decline from the -0.1% pullback in Q4 2025 and was the second consecutive negative growth rate for that channel since Q1 2024.

Share of shopping per channel in Q1

9.4%	5.6%	-7.9%
Direct	Exclusive	Independent

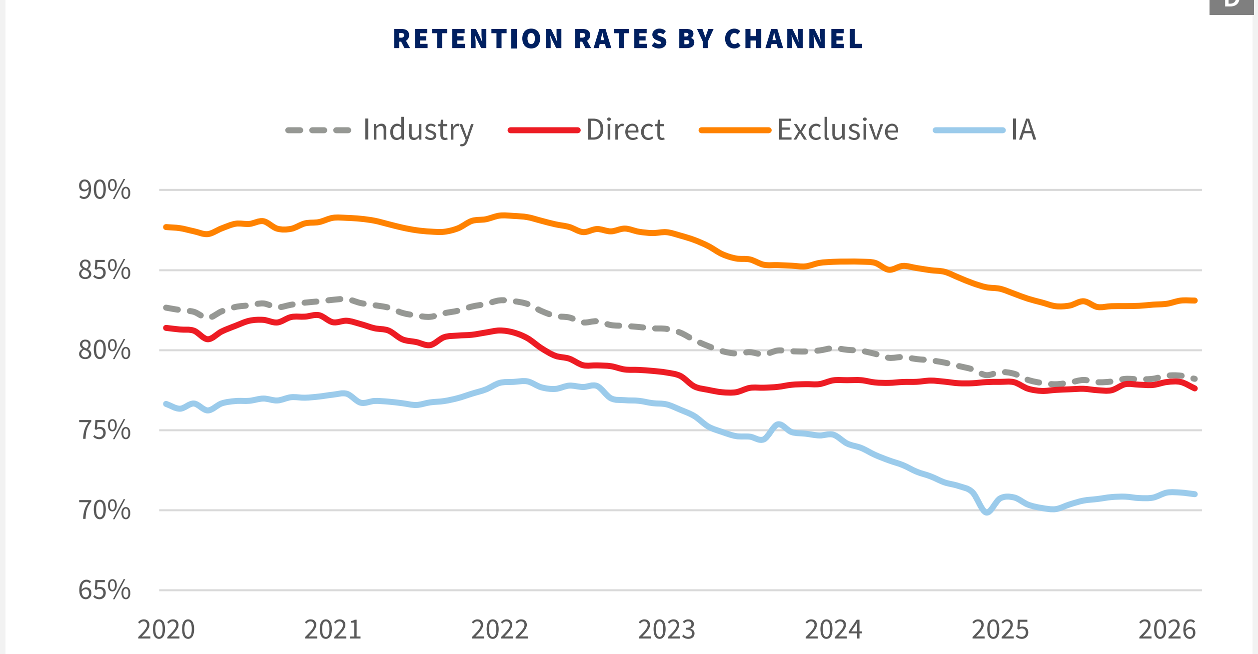
A notable factor contributing to the shopping slowdown is the decline in non-standard shoppers, which dropped -5.8% and helped pull down the overall trend. Not only was there a decrease in the non-standard category from the 12.2% growth in Q4 2025, but it was also the first negative quarterly growth rate in non-standard shoppers since Q4 2023. Inflation, affordability pressures and the total cost of vehicle ownership, which includes the cost of the insurance policy, may have applied pressure on these shoppers.

Standard shoppers kept closer to the overall shopping trend, showing a modest quarterly year-over-year increase of 3.9%, which was down from the 6.5% increase in growth in the final quarter of 2025.

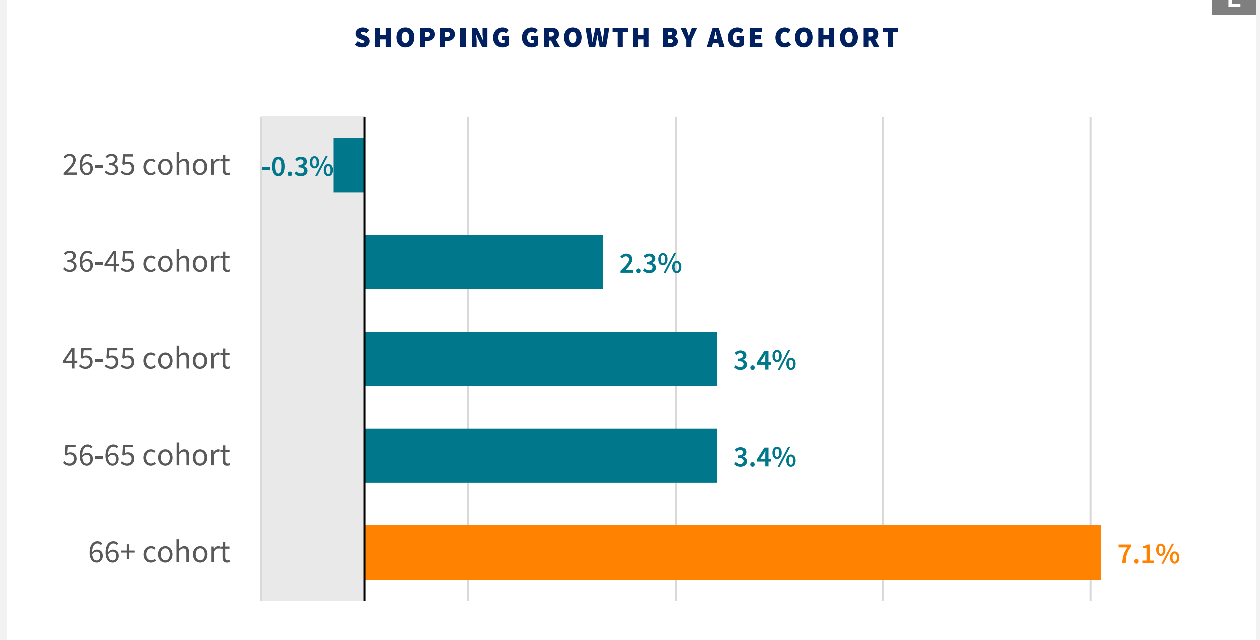
66+ Shoppers Continued Outpacing Younger Cohorts

Even within a quarter punctuated by decelerations in growth rates, the 66+ age demographic continued to lead other segments for the 13th consecutive quarter. In Q1, these shoppers saw 7.1% growth, which was down from the 11% growth in Q4 2025, but still markedly higher than the growth of other age cohorts.

D



E



Q1 State Standings

In the first quarter, only four states maintained strong shopping growth rates of at least 10% or greater, with New York leading the charge at 11.8%, followed by California at 10.4%. Wyoming clocked in at 10.1%, followed by Louisiana at 10%. While New Jersey didn't achieve a 10% growth rate, it fell just below with a growth rate of 9.7%.

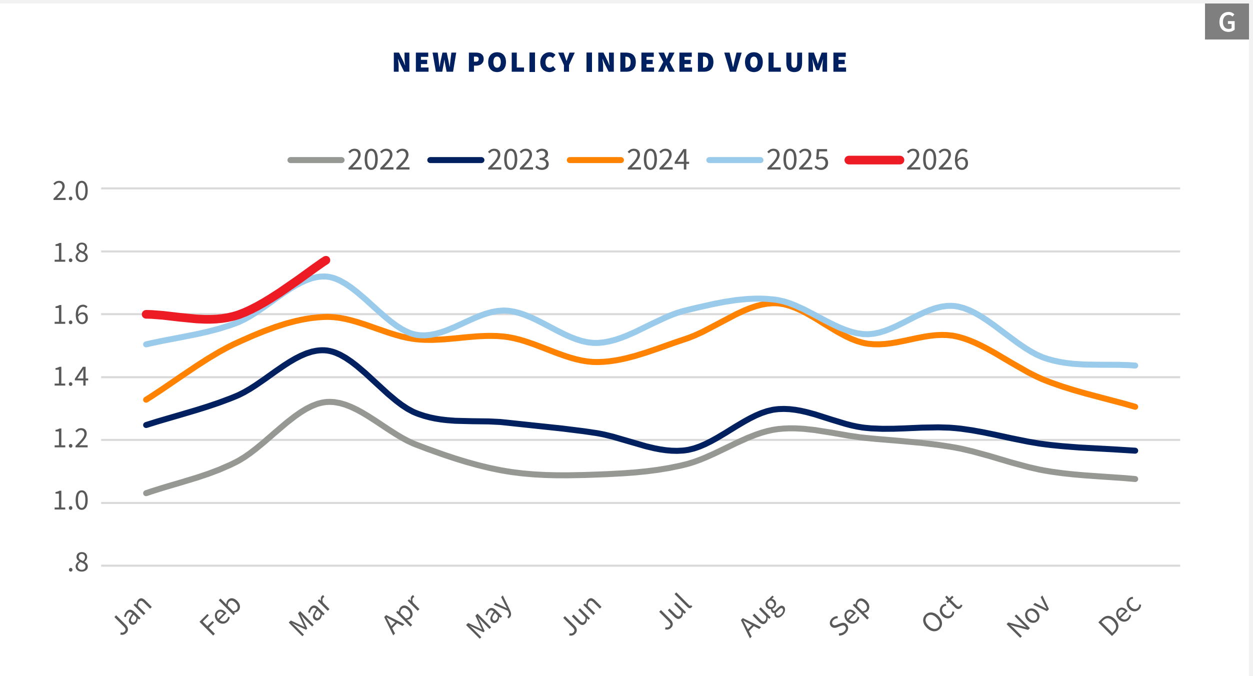
STATE	GROWTH
New York	**11.8%**
California	**10.4%**
Wyoming	**10.1%**
Louisiana	**10.0%**
New Jersey	**9.7%**

In Q1, there were fewer states attaining this designation than in Q4 of 2025, when 11 states hit this threshold.

This is likely tied to the mix of rate revisions cycling through the country. While many states are enacting decreases, New York, California and New Jersey are implementing increases and building on increases from 2025[3]. In these states, rate filing approvals may take longer, which can impact the speed of the adjustments hitting the market, taking effect and triggering shopping activity.

F

G



Once-Sidelined Shoppers

In the last two editions of the Demand Meter, we examined a subset of consumers for deeper analysis: policyholders who had not shopped from July 2023 to June 2024. We broke this subset into two groups, those who shopped their auto policies in July of 2024 (*Once-Sidelined Shoppers*) and those who continued to refrain from shopping their policies (*Waited, not Baited* cohort). The analysis revealed that when *Once-Sidelined Shoppers* shopped, they were then twice as likely to shop again, particularly within the next six months when compared to the *Waited, not Baited* group. In Q4, we looked at age and tenure distribution of the *Once-Sidelined Shoppers.* In this edition, we examined channel preferences for shopping and switching of the *Once-Sidelined Shoppers.*

When it came to *Once-Sidelined Shoppers* switching carriers, we found that:

17% of the time, they switched when they first shopped after not shopping in the prior year.

25% shopped again and switched within one to six months after their initial shop, suggesting comfort with shopping and switching.

When *Once-Sidelined Shoppers* began shopping, we found that:

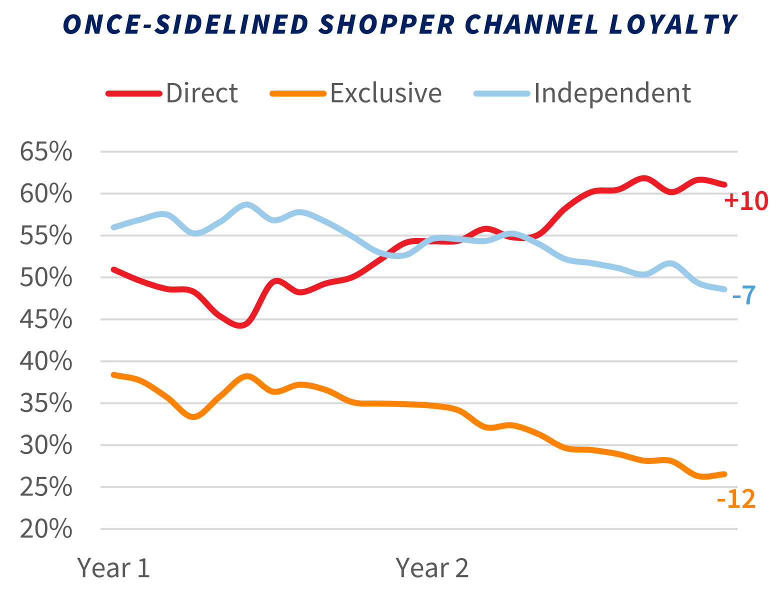
46% of the time, they leveraged the same channel they used to purchase their current policy.

30% leveraged the same channel for their next shop, indicating that there's less loyalty to the original channel in repeat shopping events.

ONCE-SIDELINED SHOPPERS

Across all channels, the direct channel retained the most *Once-Sidelined Shoppers.* Over a two-year period, there was a 10% increase in those who remained loyal or converted to the channel. Over the same period, the exclusive agent channel saw a 12% decline, while the independent agent channel dropped by 7%.

F



Jeff Batiste

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

"As auto insurance shopping growth begins to level off at record highs, loyalty can be what separates temporary wins from sustainable growth. Insurers that invest now in retaining hard-earned customers will likely be better positioned as the market shifts from rapid expansion to measured momentum. In this transitioning market, once-loyal, profitable customers could be up for grabs. Insurers who recognize this can respond with compelling offers and personalized premiums to edge out competition."

Looking Ahead

Customer retention has been impacted by premium increases motivating consumers to shop. For the 13th consecutive quarter, policyholders aged 66+, typically an insurer's higher lifetime value customers, are exhibiting a higher growth rate than younger shoppers. While rate decreases may impact market activity in new ways, even slowing growth rates, longer-tenured customers may be re-writing the rules of engagement for loyalty when it comes to shopping and channel preferences.

1. S&P Global Market Intelligence (and its affiliates, as applicable), April 1, 2026
2. *Ibid.*
3. *Ibid.*

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.

risk.lexisnexis.com/demandmeter