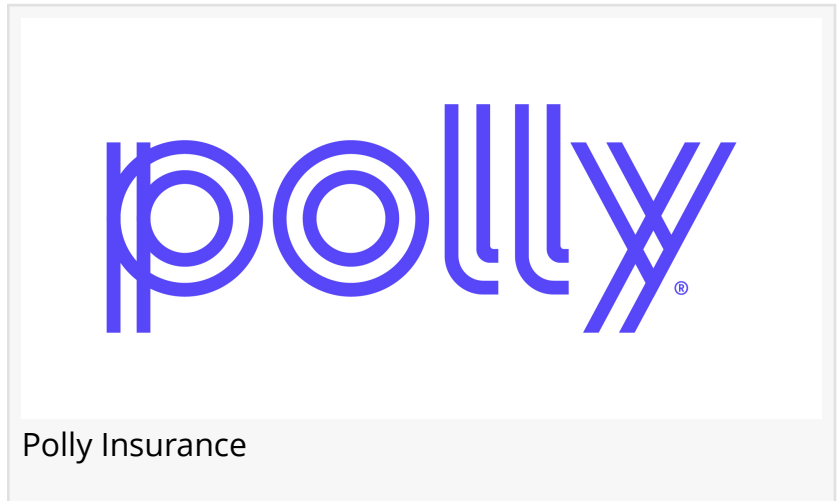


Auto Insurance Rates Stabilized in 2024: Polly's Latest Report Highlights the Opportunity for Auto Dealers

Polly's Q4 2024 Embedded Auto Insurance Report Highlights Market Trends and Profit Potential for Dealers

WILLISTON, VT, UNITED STATES,
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-- According to Polly's Q4 2024 Embedded Auto Insurance Report, auto insurance rates stabilized in 2024 after two years of steep increases. The average in-dealership insurance quote averaged \$199 per month in 2024, a stark contrast to the volatile swings of prior years that saw insurance rate increases vastly exceed inflation.



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Mike Burgiss, Chief Marketing Officer

While rate hikes appear to be cooling, affordability remains a concern for car buyers. The average rate is now \$720 higher per year than it was in Q4 of 2022. And select states have seen insurance costs rise 50% or more above the national average of \$199-leading to significant sticker shock for many car buyers.

These rates add significant cost burdens to car buyers, especially when compared to average monthly car payments, which stood at \$737 for new vehicles and \$520 for used vehicles according to Experian's State of the Automotive Finance Market Q3 2024.

Dealerships Poised to Benefit from Embedded Insurance

With insurance prices at record highs, car buyers are actively shopping for better deals, leading to greater competition among insurers. The embedded auto insurance model-where customers can compare and secure coverage directly at the dealership-is proving to be a powerful tool for

both consumer savings and dealer profitability.

As a result, the embedded insurance opportunity in 2025 is stronger than ever. Dealers who integrate insurance offerings into their sales process can ease consumer pain points while increasing their own back-end gross profit.

F&I Gross Profit Holds Steady as Front-End Margins Decline

Despite shrinking front-end margins, F&I profits remain a stronghold for dealerships:

Front-end gross profit fell to near \$1,000 per vehicle in Q4 2024, down 29% year over year, due to higher inventory and affordability challenges.

F&I gross profit, however, remained stable throughout the year, averaging \$1,868 per vehicle. And dealers who introduced customers to Polly saw an 18% lift in back-end gross profit, averaging an additional \$331 per vehicle in Q4.

"As the industry adapts to a more stable insurance market, dealers have a golden opportunity to help customers navigate rising costs while bolstering their own bottom lines," said Mike Burgiss, Chief Marketing Officer at Polly. "The data from Q4 underscores the value of embedded insurance and its role in driving profitability in an evolving auto retail landscape."

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+18% Higher F&I Gross Profit



2024 Average In-Dealership Insurance Quote

\$199/mo.

Q4 2024 QUARTERLY EMBEDDED AUTO INSURANCE REPORT

POLLY.CO/REPORT

US average cost of insurance in 2024

US average cost of insurance in 2024

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