

New California Auto Insurance Laws Are Raising Premiums and Risks: Here's What Drivers Must Know

California officially raised the minimum auto insurance liability limits for the first time in over 50 years

TORRANCE, CA, UNITED STATES, April 21, 2025 /EINPresswire.com/ -- Effective January 1, 2025, California has officially raised the minimum auto insurance liability limits for the first time since 1967, significantly changing coverage requirements for all drivers in the state.

The new state-mandated minimums have increased to \$30,000 for injury to one person, \$60,000 for injury to two or more people, and \$15,000 for property damage. This marks a substantial increase from the previous 15/30/5 standard that had remained unchanged for over five decades.



According to the California Department of Insurance, the legislative change aims to better protect accident victims in an era of escalating medical costs and vehicle repair expenses. The previous limits, established in 1967, had failed to keep pace with inflation and rising healthcare costs.

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We are hearing from more and more clients who are struggling to afford their car insurance.”

Vince Xu

The insurance industry has responded to these new requirements with corresponding premium increases. Data from the California Insurance Commissioner's office

indicates that many policyholders have experienced premium increases ranging from 15% to

30% since the new requirements took effect.

Insurance analysts recommend that [California drivers](#) review their policies to ensure compliance with new state requirements. Industry experts also note that uninsured/underinsured motorist coverage becomes increasingly valuable as the number of uninsured drivers rises.

This type of coverage protects motorists when the at-fault driver either has no insurance or does not have enough insurance to cover the damages.

It can pay for medical bills, lost wages, pain and suffering, and other costs after an accident.



Here is what every California driver should do right now:

1. Review your auto insurance policy today
2. Confirm that you have uninsured/underinsured motorist coverage
3. Increase your limits if possible to match the new minimums or higher
4. Talk to your insurance agent about what options you have to stay fully protected

The California Department of Insurance offers resources for consumers seeking information about the new requirements on their official website.

[California's new insurance laws](#) are a step forward for protecting accident victims. At the same time, they are creating new risks by pricing some drivers out of coverage altogether. Please reach out with any questions about what these changes mean or what steps to take after a [car accident](#).

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