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Polly Report: Insurance Savings Now Cover 90% of Car Buyers' Negative Equity

As trade-in debt hits near-record highs, Polly's Q2 2026 report finds insurance savings can close 90% of the gap.

WILLISTON, VT, UNITED STATES, August 19, 2026 /EINPresswire.com/ -- Polly, the leading embedded auto insurance marketplace for automotive retail, today released its Q2 2026 Quarterly Embedded Auto Insurance Report, showing that insurance savings can now offset 90% of the average negative equity balance for car buyers — a critical tool for consumers as trade-in debt climbs toward record highs. The report also found that insurance engagement remains one of the most consistent levers dealers have for improving F&I performance, even as national insurance rates hit their lowest point in nearly three years.

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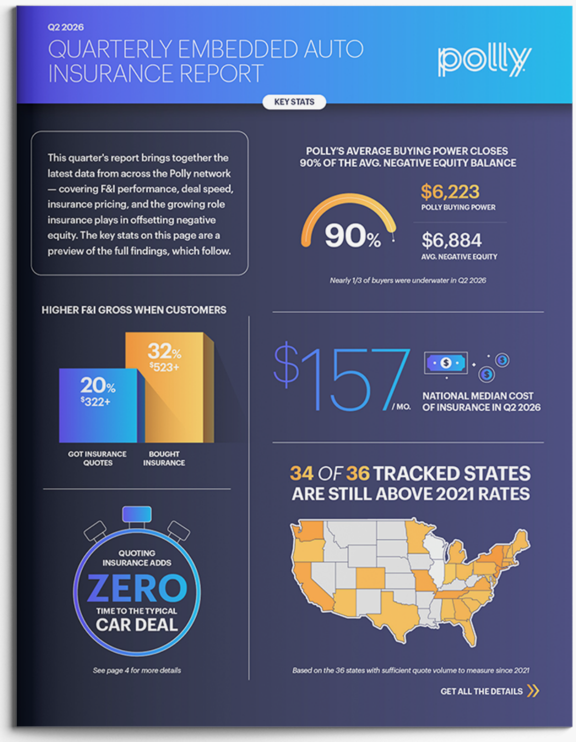
>
> *Chris Pres, VP of Automotive*

According to Edmunds, the average negative equity reached $6,884, the highest second-quarter figure on record. Buyers who shopped insurance, however, gained a chance to offset that negative equity. During Q2 2026, the average annual savings for car shoppers who saved with Polly climbed to $1,245 a year. That translates into an average of $6,223 in buying power, or the equivalent of 90% of their average negative equity balance.

Dealerships that introduced insurance quotes during the purchase process also saw a 20% lift in F&I gross, averaging $322 more per transaction compared to deals with no insurance engagement. When customers went a step further and purchased insurance, the impact increased substantially: those deals delivered a 32% increase in F&I gross, or $523 more per transaction.

The report also finds no evidence that quoting insurance slows down a deal. In fact, across 661,486 retail sales from DMS feeds at 216 dealerships, median time from deal open to deal finalization was the same regardless of whether the buyer received a Polly insurance quote or not. Quoted deals were also less likely to drag out: only 13% of Polly quoted deals took more than a week to finalize, compared to 16% of deals with no insurance quotes.

"The data keeps telling us the same thing: insurance engagement is one of the few levers dealers can pull that consistently improves deal outcomes without adding friction to the deal," said Polly Vice President of Automotive Chris Pres. "Whether rates are rising or falling, dealerships that make insurance quoting a standard part of the desk process are seeing the strongest, most predictable results."



Q2 2026 Embedded Insruance Report Key Data

Polly Insurance

Among Polly's top-performing dealership partners, F&I lift over the past 12 months ranged from 7% to as high as 62%, with half of the top 10 high-engagement dealerships seeing lift of 19% or higher across a range of makes, markets, and franchise types. The top-performing dealership, a Nissan franchise in the Northeast, saw a 62% lift in back-end gross, or $1,391 more per deal.

Median monthly insurance quotes continued to ease in Q2 2026. That national decline, however, is masking a very different picture at the state level. Of the 36 states with tracked quote volume since 2021, 34 are still paying more for insurance today than they were five years ago, even after this year's national pullback. The increases aren't negligible: New Jersey buyers are quoted 127% more than in 2021, New York buyers 123% more, Washington buyers 107% more, and Tennessee buyers 98% more.

The full Q2 2026 Quarterly Embedded Auto Insurance Report is now available.

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