Reprinted With Permission Of The Publisher

AUTO INSURANCE REPORT

The Authority on Insuring Personal and Commercial Vehicles

November 3, 2025 Vol. 33#10/1545

INSIDE

AI voice startups angling for attention. Page 3

AI agents for low-complexity, high volume tasks. Page 5

Auto insurer looks to AI for claims. Page 6

Tennessee population growth. Page 7

Memphis, Knoxville top list for highway fatalities. Page 8

Illinois Lawmakers Reject Scary Rate Look-Back Bill

If **Illinois** insurers felt tricked by a last-minute amendment that poisoned a long-negotiated compromise bill and threatened to upend the state's system of rate regulation, the industry received a Halloween treat when the House rejected it on Oct. 31, the last day of the fall veto session.

While the bill – which applied to homeowners insurance – failed, insurers expect continued challenges to the state's longstanding free-market approach to rating and underwriting both personal auto and home insurance when the Legislature reconvenes in January, according to **Kevin Martin**, director of the **Illinois Insurance Association**. For the last several years, lawmakers have made repeated efforts to ban socioeconomic rating

Please see ILLINOIS on Page 2

Robots Do More of the Talking When Policyholders Need Help

Across the Las Vegas trade show floor, a flood of vendors plugging artificial intelligence makes it nearly impossible to sort imposters from the real deal, at first glance. Every company – from the flush venture-capital backed startups to the new entrepreneurs who appear to materialize from the digital ether – flies a banner proclaiming the transformative nature of AI.

The AI noise is deafening at the hype-heavy ITC Vegas, the nation's largest insurance technology conference. But behind the cacophony of artificial promises, insurers are now – after several false starts – actually using AI customer representatives to answer phones and help policyholders with sales, service and claims.

More than 60 carriers and large agencies are using technology from 3-year-old **Liberate**, a fast-growing AI

Please see VOICE AI on Page 2

Tennessee Tug-of-War Could Pull Auto Insurance Rates Downward

A metaphorical game of tug-of-war is being waged within **Tennessee's** auto insurance industry.

On one side of the rope are factors pulling rates upward, including lower but still-hot inflation, catastrophic events and increased frequency and severity of claims. On the other side are contenders tugging rates down, including increased competition among insurers to attract customers amid Tennessee's booming population and a generally favorable regulatory environment.

Amid the push-and-pull, one thing is clear: The market is hot, with opportunities for insurers to increase business and for consumers to shop for lower premiums.

Direct premiums written statewide grew roughly 14% while losses remained flat, contributing to a nearly 14% decline in the incurred loss ratio to 62.6%.

As profits improve, early indicators suggest insurers are

Please see TENNESSEE on Page 7

RISK INFORMATION
www.riskinformation.com

Reprinted With Permission Of The Publisher

ILLINOIS *Continued from Page 1*

factors, such as credit-based insurance scores, and require prior approval of rates. (AIR 5/5/25)

While this session's prior-approval bill (Senate Bill 268) stalled in the Senate, House Bill 3799 transformed from a climate risk disclosure bill to a long-negotiated bill that would have required insurers to provide 60-days' notice if a homeowners renewal premium increase of more than 10%. A surprise Senate amendment adopted Thursday would have given Illinois insurance regulators the authority to re-evaluate previously approved homeowners insurance rates and order rebates if they found them to be excessive or unfairly discriminatory – criteria that most states use for evaluating rates. Illinois currently allows insurers to use rates as soon as they are filed, and, unlike most states, the statute does not currently require that rates must meet those criteria. Insurers celebrated when the House rejected the amended bill Friday morning.

"Illinois consumers will be spared needless cost increases with the failure of HB 3799, an unprecedented bill that would have put the government in charge of setting insurance rates, effectively creating an extreme prior-approval system found nowhere else in the country," according to a joint statement from the Illinois Insurance Association, the **National Association of Mutual Insurance Companies** (NAMIC) and the **American Property Casualty Insurance Association** (APCIA). "Lawmakers listened to the facts and recognized that HB 3799 would have led to higher premiums, fewer choices and greater instability."

Martin said insurers are still willing to negotiate for the transparency lawmakers and constituents want, but they viewed the amendment as a dangerous threat. "The way it was drafted left it open ended," he said. "If you're going to call a company in for whatever reason and then object to whatever their rate was that was filed in, say, 2002, does that company then have to rebate that and go through that compliance nightmare?" AIR

VOICE AI *Continued from Page 1*

software company that provides voice, text, chat and email services exclusively for the insurance industry.

"Fourteen months back, we were doing 10,000 calls, or automations, a month; today, we're at 1.3 million automations a month," said Liberate co-founder and CEO **Amrish Singh**. "The scale is exponential."

Amrish Singh
Liberate

New voice AI products aim to lower the number of call center employees for carriers and promise to reduce policyholder hold times, ultimately improving satisfaction.

"This is as important from a cost perspective as it is from a customer experience perspective," said **Tiku Raval**, who led nonstandard auto insurer **The General** when it adopted its first voice AI system. "No one wants to be waiting on the phone or in a chat queue because a contact center is at capacity. And from an employee perspective, there are just some very easy transactions which technology can resolve while skilled employees handle more complex customer matters."

Tiku Raval

Founders of voice AI companies often use the metaphor of the ATM. It took the most mundane task away from bank tellers, shortening the line and allowing employees to focus on more complex customer interactions. Voice AI can do the same thing for call centers, they believe.

Please see VOICE AI on Page 3

Warning: ***Auto Insurance Report*** is a confidential, copyrighted newsletter for subscribers only. No part of this publication may be shared outside of the subscribing organization without prior permission of the publisher. For information email dana@riskinformation.com.

Reprinted With Permission Of The Publisher

VOICE AI *Continued from Page 2*

A few early adopters began using early AI voice agents to field calls in 2022. But the introduction of **OpenAI's** ChatGPT later that year created a noticeable leap in voice AI ability that spurred more carriers to adopt the technology.

"Generative AI, or ChatGPT, changed the world for us," Singh said. "They showed a way to holistically look at a conversation and to provide a much more humanistic response back."

It has also inspired an absolute onslaught of AI startups elbowing for attention. **Customer Solutions Group** (CSG), a lead-conversion firm that has made outbound calls for many of the biggest carriers since the 1990s, tested dozens of voice AI vendors in 2024 before implementing the technology.

Jeffrey Feuer
CSG

"Many of these firms are just really young startups," said CSG Chief Executive Officer **Jeffrey Feuer**. "They're neither funded well, nor are they professionally managed. It could be a couple of 28-year-olds working in their bedrooms, and they still could produce a pretty good product, but not as good as most of the big-boy firms. At the other end of the spectrum are the VC-funded, very professionally managed [businesses]. They have a data team, and the best results we heard primarily, but not entirely, came from that group."

Feuer expects to see substantial consolidation. "Many of these guys are going to go under," he said. "Some are going to be swallowed up by others, and there will be some winners."

Insurance carriers and agencies vary in the degree to which they rely on voice AI. Some insurers and agencies still use a traditional interactive voice response (IVR) menu at the start of the call that requires users to press a number to choose an option. Depending on which path they follow, a caller may encounter a person or a computer.

Tom Freeland
Liberate

Other businesses have eliminated the IVR entirely, and an AI representative answers the phone. These artificial reps are much better listeners than the old software of the past, which required callers to repeat perfect prompts, verbatim, with clear annunciation. They will understand if a caller says "swap" cars rather than "switch" cars, for example, said Liberate President **Tom Freeland**.

But even the new AI reps still sound synthetic: No caller will mistake them for a live human, and they typically operate within strict guardrails. Overly complicated requests will prompt the AI agent to hand the call off to a human. The technology excels at low-complexity, high-volume tasks.

Whether a robot can pass the Turing test — that is, convincingly sound human — may not be the most important quality for good customer service. Most customers just want efficient answers to questions without being put on hold, or without having to call during normal business hours.

On the whole, insurance trails e-commerce and other faster moving industries in adopting voice AI in call centers, said **Gadi Shamia**, CEO of AI-voice provider **Replicant**. The company's AI voice agents now receive inbound calls for one auto insurance call center and for roadside service for more than a dozen **AAA** clubs. Replicant has seen much faster uptake in other industries, like e-commerce, where it counts pro sports apparel and memorabilia maker **Fanatics** as a customer.

"The insurance industry is in the planning phase, as a whole, where e-commerce is in the deployment phase," he said. "I think the planning phase [for insurers] is going to transfer next

Please see VOICE AI on Page 4

Warning: ***Auto Insurance Report*** is a confidential, copyrighted newsletter for subscribers only. No part of this publication may be shared outside of the subscribing organization without prior permission of the publisher. For information email dana@riskinformation.com.

Reprinted With Permission Of The Publisher

VOICE AI *Continued from Page 3*

year into a deployment phase."

Insurance companies are dutifully risk averse, and they have been slow to adopt more advanced chatbots on their websites. Generally, today they offer website bots that stick to FAQ-based queries. (AIR 8/25/25) In a highly regulated and litigious industry, carriers likely have concerns that a hallucinating AI bot could provide bad coverage advice or claims information that could spur a lawsuit.

With voice AI, the hesitance appears to be shifting as the technology becomes better – first with managing general agents and nonstandard carriers, though a few larger carriers are dipping their toes.

Five years ago, the technology was barely usable. CSG's Feuer said he could not risk the reputation of national insurance brands by using early, substandard voice AI solutions on outbound calls.

> ***Insurance trails e-commerce and other faster moving industries in adopting voice AI in call centers.***

"We didn't ignore it, we just turned our backs to it until 2024," he said. Last year, the company did an exhaustive market survey that identified more than three dozen vendors with voice AI agents. After testing the vendors that would provide demos or pilots side-by-side, Feuer said, the top 10% to 15% seemed good enough to use in market.

"So, we knew now's the time, and we made the investment," he said. Using a combination of vendor services and in-house capabilities, CSG started using voice AI for outbound calls at the end of 2024, side-by-side with its human operators to compare results. Today, the company uses voice AI to connect prospects with live agents who take over the sales journey.

CSG has found that while voice AI is considerably less expensive than humans today, it is not always the best solution, Feuer said.

Gadi Shamia
Replicant

Most AI voice vendors charge by the minute at rates below those paid to humans. Even if it converts fewer leads into sales, it's a good deal if lead conversion rates are high enough to justify the cost and call quality is strong enough to "enhance brand image," Feuer said. Today, the business value of AI voice is hit-or-miss compared to humans, he said. However, as AI voice improves, more use cases will become attractive. AI-driven texting is another matter entirely, he added. AI-driven texting is more expensive than pre-set text messages sent by people, so conversion rates must be higher to justify the added expense.

CSG is launching a new benchmark next year that will continuously analyze which communication channel is more effective at converting leads – phone or text – and which operator is more efficient, human or robot. Current federal regulations do not place additional restrictions on voice AI for marketing calls. The Federal Telephone Consumer Protection Act (TCPA) requires that companies obtain consent before making a sales call using live humans or pre-recorded messages. It does not name AI explicitly, and regulators are currently treating AI as "pre-recorded" messages, Feuer said.

AI voice and text may help carriers comply with stricter opt-out requirements in TCPA that went into effect in April. It requires marketers to honor consumer opt-out requests even if they don't strictly use one of the seven keywords that were listed in the past. Older computer systems may not catch valid requests, like a misspelling of "unsubscribe," but AI could.

Please see VOICE AI on Page 5

Warning: ***Auto Insurance Report*** is a confidential, copyrighted newsletter for subscribers only. No part of this publication may be shared outside of the subscribing organization without prior permission of the publisher. For information email dana@riskinformation.com.

Reprinted With Permission Of The Publisher

VOICE AI *Continued from Page 4*

"I believe that ultimately compliance risk is what's going to push a lot of marketers on the front end at insurers to adopt more AI," said **Jeff Piotrowski**, CSG chief customer officer.

The early AI voice call center reps that disappointed Feuer were limited by the natural language processing (NLP) algorithms that were good at determining a caller's intent but largely responded with canned, "deterministic" answers pre-written by insurers. These bots sound like an iterative improvement upon the speech-enabled IVRs that have annoyed callers for decades – better, but not revolutionary. Generative AI powered by large language models (LLMs) like ChatGPT gives "agentic" AI the ability to consider a conversation in whole, and it uses the data it has been trained with to generate an original response and to ask follow-up questions within the guardrails set by a company.

Jeff Piotrowski
CSG

Vendors like Replicant initially developed their own NLP models for their voice AI, but the company now uses LLMs developed by OpenAI (ChatGPT), **Anthropic** (Claude) and **Google** (Gemini). "Sometimes we switch them dynamically in a call, based on which one is performing a task better," Shamia said. "There's really no point on this planet to build your own LLM. We looked into it. The ability of any one company to build a better LLM is very limited, so having an ability to pick the right LLM and test it and actually retest it is more important."

In addition to voice, Liberate offers automations for text, chat and email. One of Liberate's homeowners insurance customers is using the software for claims. The software automatically ports first notice of loss (FNOL) information submitted by email into the claims management software and then dispatches the insurer's local mitigation vendor to the home to clean up water or do other loss prevention or mitigation work.

Liberate has also built its software upon existing LLMs, CEO Singh said. On top of the foundation built by LLMs, Liberate trains its AI agents with extensive insurance knowledge, aimed to allow insurers to integrate the product quickly out of the box. Singh, Freeland and other leaders at the company had long careers in insurance before joining the startup. Singh was the general manager of enterprise software at auto insuretech **Metromile**, and Freeland was the president of **AssuranceAmerica**.

Freeland said the potential to solve problems that he witnessed in previous roles at insurance companies motivated him to join Liberate after meeting Singh.

"I've sat there and just banged my head against the wall on the problems that we can solve now," he said. "That's what got me excited when Amrish and I first met. I have had responsibility for call centers of 800 people, and those call centers would do really great service at certain times of the day. Tuesday, at 10 o'clock in the morning, we were on our A game. There were no hold times. Everything was rosy and great. Everybody loved us. And then on Friday the wheels fell off."

They designed Liberate specifically for insurers, and today it primarily handles service requests and claims. It can help a caller receive a new ID card, or make an endorsement change, for example, and it can intake an FNOL for a new claim. Claims intake is especially important during catastrophes that would normally result in long hold times, Singh said.

"These are the high-volume, low-complexity things that end up costing carriers a lot of money and take adjusters and service people away from real, meaningful work," he said.

California-based nonstandard auto carrier

Please see VOICE AI on Page 6

Warning: ***Auto Insurance Report*** is a confidential, copyrighted newsletter for subscribers only. No part of this publication may be shared outside of the subscribing organization without prior permission of the publisher. For information email dana@riskinformation.com.

Reprinted With Permission Of The Publisher

VOICE AI *Continued from Page 5*

Aspire General Insurance is currently integrating Liberate into its claims process to accept FNOLs with a plan to go live later this year.

Aspire first started using a pre-LLM voice AI call center solution from the vendor **Boost** in 2022 for non-claims calls. It trained the voice AI agent for months before deployment, and it is now efficient at understanding the caller's intent, but it dispenses pre-written responses. The company does not let it answer coverage questions. It now completes 44% of all inbound calls that it fields, according to **Myles Storms**, Aspire senior vice president of operations. Aspire uses an LLM to analyze call transcripts, finding questions that the bot could not handle. Boost allowed Aspire to grow quickly without expanding its call center headcount at the same pace. It employs about 300 call center employees in the Philippines, 100 in Peru and 50 in Mexico; without Boost the company estimates it would have had to hire about 100 more.

Myles Storms
Aspire

"It's delivering on that promise of being able to continue to grow without so much dependency on growing expenses," said Aspire Chief Technology Officer **Sam Rea**.

Using Boost, the company added Spanish language to its voice offerings early this year. "To our surprise, we saw a higher voice agent completion rate for Spanish speakers than for English speakers," Storms said.

After adding Liberate's voice AI to process FNOL submissions, Aspire plans to expand its use of the technology, which it thinks will be more conversational and less pre-scripted than its existing solution. But Aspire does not plan to abandon what it has built using Boost, either.

"They proved to be really good partners, really easy to work with," Rea said.

Sam Rea
Aspire

Once live, Aspire's AI claims agent from Liberate will collect FNOL details and automatically enter them into the insurer's new claims management software from **Snapsheet**. The Snapsheet claims platform will also automatically ingest FNOL data that policyholders submit on the website. Prior to Snapsheet, a call center rep would have to manually type in the FNOL information into Aspire's old claims management system. FNOLs submitted on the company's website would generate an email to a claims department worker who would also have to manually enter the information.

The availability of LLM promises better efficiency, but it has also lowered the bar for entry – startups can stitch together a voice AI solution built on ChatGPT's foundation to show potential clients a slick demo. Whether the bot has been trained with sufficient insurance knowledge is another question, as is whether the company is capable of providing a consistent and repeatable caller experience, as is whether the software's ability to access an insurance company's existing technology platforms.

In 2019, a company like Replicant stood out immediately, Shamia said. Now, it's harder at first glance to tell the difference between competitors.

"A good demo in 2019 was impossible," he said. "Our demos were the best in the industry, and no one could compare to them. And now, everybody can."

The most difficult aspect of the competitive landscape for AI solutions now, he said, is that "from a buyer perspective, I don't know how people choose."

Please see VOICE AI on Page 7

Warning: ***Auto Insurance Report*** is a confidential, copyrighted newsletter for subscribers only. No part of this publication may be shared outside of the subscribing organization without prior permission of the publisher. For information email dana@riskinformation.com.

Reprinted With Permission Of The Publisher

VOICE AI *Continued from Page 6*

Shamia recommends that buyers talk to a vendor's existing customers. "The most important thing to do is find two or three partners that the customers love and then go deep on what you really care about," he said.

Once carriers choose an AI voice, chat or texting vendor, direct integration with their legacy technology systems remains one of the biggest roadblocks to voice AI adoption, said Raval, the former president of The General.

If a carrier has old core systems with limited APIs, voice agents can't send information automatically to policy servicing, claims or quoting software. The same compatibility bottlenecks exist with carriers' existing IVR phone systems, he said. Companies in many industries often keep their old IVR and make AI voice available for certain pathways, like billing. Some have replaced the IVR entirely with an AI voice agent at the top that can ask the caller what they need, provide service or hand the caller off to a human for complicated requests.

The result is often an integration Frankenstein – voice AI plugged into APIs where it can, but not fully to the degree that it could be.

"Voice AI has advanced beyond what the carriers can ingest right now," Raval said. "This is a very real-world bottleneck. And I've seen issues like this – internal systems not keeping pace with new technologies – across multiple industries. The new voice AI technology is so much better, and it can do more than companies are using it for today." AIR

State Market Focus: TENNESSEE

Continued from Page 1

starting to lower rates.

As of mid-October, the **Tennessee Department of Commerce and Insurance** (TDCI) had approved rate cuts for four of Tennessee's 10 largest personal auto insurance groups and increases for two. Driven largely by market leader **State Farm's** 7.4% rate decrease, the average rate change for the top 10 groups declined 2.2%, after increasing 5.4% last year, 16.6% in 2023 and 17.2% in 2022, according to RateWatch.

> ***Auto insurers are trying to capitalize on the strong economic and population growth in Middle Tennessee.***

If realized through year end, 2025 would mark the first decrease in average rates for the top 10 since 2020, when statewide rates dipped by an average 2.5%.

"Tennessee is a large, growing and increasingly competitive personal auto market," an industry executive said in an email. "Over the last few years, we've seen significant premium increases, greater consumer shopping activity, and more new entrants attracted by population and economic growth. Insurers have had to respond to higher frequency and severity pressures while keeping products competitive. The market has moved from a steadier environment to one with faster rate cycles and more price sensitivity among consumers."

In its 2025 Economic Report to the Governor of Tennessee, the Boyd Center for Business and Economic Research at the **University of Tennessee, Knoxville**, projected that Tennessee's economy will outpace U.S. economic growth this year, with the state's gross domestic product (GDP) expected to expand by 2.5%. That compares to expectations of just 2.0% for the U.S. as a whole.

"This is largely driven by timing, as Tennessee's economy recovered much more quickly from the pandemic and is therefore stabilizing sooner as well," **Lawrence Kessler**, project director and research associate professor at the Boyd Center, said in the report. "Tennessee is on track to see continued economic growth over the

Please see TENNESSEE on Page 8

Warning: ***Auto Insurance Report*** is a confidential, copyrighted newsletter for subscribers only. No part of this publication may be shared outside of the subscribing organization without prior permission of the publisher. For information email dana@riskinformation.com.

Reprinted With Permission Of The Publisher

State Market Focus: TENNESSEE

Continued from Page 7

next two years, albeit at a slightly slower pace as the economy continues to normalize."

Those economic factors are fueling an influx of new residents and a larger pool of potential customers for auto insurers. Boyd Center data shows Tennessee added 77,513 new residents between 2022 and 2023, for a growth rate of 1.1%, the sixth-highest in the U.S. and more than double the national increase.

Much of that growth is occurring in the middle of the state, with the Nashville-Davidson-Murfreesboro-Franklin region expected to expand at a rate of more than 9% between 2023 and 2028 – the third-highest in the country, according to the Site Selection Group.

Overall estimates suggest the state will add more than 600,000 new residents between 2020 and 2030, taking the population in the next five years to 7.51 million.

Insurers and agents are capitalizing on that growth. The state reached a record-breaking number of insurance licensees last year, and that number has climbed higher in 2025 to 320,444 insurance producers, according to the TDCI.

"Population growth creates strong new business opportunities as more shoppers enter the market," an industry executive noted. "Growing business opportunities attract many new entrants into the market, which creates competitive challenges as more insurers attempt to grow within the state."

However, insurers are increasingly sensitive to challenges presented by Tennessee's growth. Among them are increased rates of fatal crashes in the most populous parts of the state, with **Consumer Affairs**, a consumer research firm, ranking Memphis and Knoxville as having the highest rates of fatalities in the nation based on data from the **National Highway Traffic Safety Administration** (NHTSA).

Memphis, for the third year in a row, ranked first, with 38.79 deaths per 100,000 residents, more than triple the national rate. Consumer Affairs also reported 17.96 fatal crashes per

Please see TENNESSEE on Page 9

Tennessee
Auto Insurance Profit Margins
Ten-Year Summary, Percent of Direct Premiums Earned

Line of Business	2023 Total Profit	2022 Total Profit	2021 Total Profit	2020 Total Profit	2019 Total Profit	2018 Total Profit	2017 Total Profit	2016 Total Profit	2015 Total Profit	2014 Total Profit	Avg Total Profit
Personal Auto Liab	7.0	0.5	10.1	12.4	9.5	8.6	5.9	1.4	5.0	7.4	6.8
Personal Auto Phys	2.8	-6.9	-1.7	8.0	8.5	10.3	6.3	5.0	6.2	8.7	4.7
Personal Auto Total	4.9	-3.0	4.6	10.4	9.0	9.3	6.0	3.0	5.6	8.0	5.8
Comm. Auto Liab	16.1	17.2	19.0	11.9	5.9	11.2	8.8	4.2	10.5	13.6	11.8
Comm. Auto Phys	4.9	6.8	6.8	9.2	5.9	7.5	5.2	7.9	5.3	6.0	6.5
Comm. Auto Total	12.6	14.1	15.4	11.0	5.9	9.9	7.7	5.3	8.9	11.2	10.2
Total All Lines*	6.9	10.0	12.4	-1.1	19.1	19.1	11.7	6.4	12.9	14.7	11.2

*Auto; Home, Farm & Commercial Multiperil; Fire; Allied; Inland Marine; Med Malpractice; Other Liability; Workers Comp; All Other

Note: Profit calculations are by *Auto Insurance Report* using data from the National Association of Insurance Commissioners. Calculations are estimates, some based on national averages.

Warning: *Auto Insurance Report* is a confidential, copyrighted newsletter for subscribers only. No part of this publication may be shared outside of the subscribing organization without prior permission of the publisher. For information email dana@riskinformation.com.

Reprinted With Permission Of The Publisher

State Market Focus: TENNESSEE

Continued from Page 8

100,000 residents involved "bad driving" behaviors, including aggressive and careless driving, driving the wrong way on one-way roads, failing to yield the right of way, and improper turns and lane changes. That was more than four times the national rate.

Knoxville ranked second in the report, with 13.94 fatal crashes per 100,000 residents. Notably, the city ranked fifth highest in the country for speed-related deaths, at 9.29 per 100,0000 residents.

Industry executives also noted that as Tennessee's population grows, infrastructure has struggled to keep pace, further increasing the

Please see TENNESSEE on Page 10

Tennessee
Personal Auto Insurers

Groups Ranked by Total 2024 Direct Premium Written (000)

Group Name	2024			2023			2022		
	Premium	Market Share	Loss Ratio	Premium	Market Share	Loss Ratio	Premium	Market Share	Loss Ratio
State Farm Mutual	$1,439,468	21.3%	63.3%	$1,240,730	20.9%	79.7%	$1,022,195	19.9%	87.5%
Tennessee Farmers Insurance Cos.	$1,060,931	15.7%	71.5%	$919,012	15.5%	79.7%	$798,323	15.5%	87.3%
Progressive Corp.	$1,007,994	14.9%	58.3%	$787,332	13.2%	69.2%	$635,993	12.4%	65.8%
Allstate Corp.	$686,969	10.2%	61.5%	$563,943	9.5%	63.1%	$475,157	9.2%	73.3%
Berkshire Hathaway/Geico	$489,025	7.2%	56.7%	$498,250	8.4%	60.0%	$513,297	10.0%	84.6%
USAA Insurance Group	$390,153	5.8%	60.0%	$356,981	6.0%	75.5%	$287,527	5.6%	85.3%
Erie Insurance Group	$228,066	3.4%	82.9%	$189,895	3.2%	88.3%	$154,670	3.0%	86.9%
Liberty Mutual	$189,349	2.8%	51.6%	$231,184	3.9%	73.4%	$253,887	4.9%	71.0%
Alfa Mutual Group	$148,042	2.2%	62.1%	$124,965	2.1%	63.0%	$94,367	1.8%	69.5%
Farmers Insurance Group	$139,164	2.1%	53.7%	$143,746	2.4%	64.1%	$131,463	2.6%	69.0%
Travelers Companies Inc.	$129,562	1.9%	58.9%	$112,481	1.9%	64.1%	$102,178	2.0%	67.4%
Shelter Insurance	$124,245	1.8%	64.9%	$104,412	1.8%	71.7%	$88,186	1.7%	82.3%
Auto-Owners Insurance	$104,334	1.5%	67.0%	$89,428	1.5%	88.7%	$73,947	1.4%	74.3%
Sentry Insurance Mutual	$102,085	1.5%	53.4%	$94,116	1.6%	60.6%	$82,161	1.6%	58.0%
Nationwide Mutual Group	$93,214	1.4%	54.2%	$108,851	1.8%	69.8%	$106,595	2.1%	69.9%
Grange Insurance	$35,874	0.5%	58.4%	$33,755	0.6%	67.7%	$29,398	0.6%	74.3%
Cincinnati Financial Corp.	$28,138	0.4%	54.7%	$21,708	0.4%	60.0%	$17,734	0.3%	55.8%
Auto Club Insurance Assn. (Michigan)	$26,821	0.4%	67.0%	$20,871	0.4%	66.9%	$16,491	0.3%	70.0%
Westfield Insurance	$23,515	0.4%	52.6%	$22,074	0.4%	63.2%	$20,434	0.4%	65.7%
Root Insurance Co.	$23,400	0.4%	58.3%	$17,984	0.3%	75.5%	$11,455	0.2%	90.4%
First Acceptance Corp.	$22,327	0.3%	64.9%	$26,053	0.4%	64.2%	$20,651	0.4%	69.5%
Hanover Insurance Group	$22,017	0.3%	55.3%	$22,204	0.4%	66.9%	$20,876	0.4%	72.3%
Penn National Insurance	$18,893	0.3%	62.5%	$18,164	0.3%	88.9%	$15,104	0.3%	66.1%
Hartford Financial Services	$18,428	0.3%	49.4%	$17,224	0.3%	67.3%	$16,057	0.3%	57.2%
Brookfield Reinsurance/American Nat'l	$14,750	0.2%	57.3%	$12,803	0.2%	66.4%	$11,490	0.2%	56.1%
Selective Insurance Group Inc.	$14,448	0.2%	72.7%	$15,259	0.3%	94.3%	$13,152	0.3%	56.0%
Chubb Ltd.	$14,309	0.2%	69.3%	$11,962	0.2%	56.7%	$10,500	0.2%	62.4%
Statewide Totals	$6,758,672		62.6%	$5,945,318		72.6%	$5,140,703		78.8%

Source: S&P Global Market Intelligence and *Auto Insurance Report.*
Loss ratio = incurred losses/direct premium earned and does not include dividends or loss adjustment expense.

Warning: ***Auto Insurance Report*** is a confidential, copyrighted newsletter for subscribers only. No part of this publication may be shared outside of the subscribing organization without prior permission of the publisher. For information email dana@riskinformation.com.

Reprinted With Permission Of The Publisher

State Market Focus: TENNESSEE

Continued from Page 9

risk of crashes and fatalities.

"One of our favorite things to talk about in Tennessee is traffic, and that's because the influx of new population into Tennessee has greatly outpaced our roads," said **Benjamin Sanders**, executive director of government affairs with **Farm Bureau Insurance of Tennessee**. "We see that on interstates. We see that on highways. We see it in rural areas where developers are building massive housing developments on two-lane roads that weren't meant for that much traffic."

Recent catastrophic events, including Hurricane Helene, have also caused millions in losses for insurers. TDCI reported the storm resulted in more than $1.2 billion in damages across Tennessee, with eight counties in the eastern part of the state declared disaster areas.

Benjamin Sanders
Farm Bureau Insurance of Tennessee

Over 14,000 claims were reported after the storm, with more than $550 million in incurred losses.

That included more than 2,000 personal auto claims with nearly $40 million in incurred losses.

Please see TENNESSEE on Page 11

Tennessee
Commercial Auto Insurers

Groups Ranked by Total 2024 Direct Premium Written (000)

Group Name	2024			2023			2022		
	Premium	Market Share	Loss Ratio	Premium	Market Share	Loss Ratio	Premium	Market Share	Loss Ratio
Progressive Corp.	$172,912	13.4%	52.5%	$159,445	13.7%	59.0%	$137,763	12.8%	55.7%
Travelers Companies Inc.	$76,106	5.9%	55.1%	$67,596	5.8%	62.7%	$65,619	6.1%	63.5%
Old Republic International Corp.	$62,682	4.9%	78.4%	$52,446	4.5%	56.0%	$45,104	4.2%	60.8%
Auto-Owners Insurance	$60,946	4.7%	54.5%	$51,025	4.4%	77.7%	$45,525	4.2%	59.1%
Intact Financial Corp.	$56,999	4.4%	46.8%	$58,319	5.0%	54.1%	$50,122	4.7%	55.2%
Erie Insurance Group	$53,122	4.1%	77.2%	$44,446	3.8%	85.0%	$38,383	3.6%	84.2%
Cincinnati Financial Corp.	$36,015	2.8%	52.4%	$33,329	2.9%	47.8%	$32,364	3.0%	54.3%
Acuity Mutual Insurance	$35,804	2.8%	58.4%	$32,655	2.8%	49.7%	$26,161	2.4%	58.8%
State Farm Mutual	$33,913	2.6%	104.2%	$24,960	2.1%	99.1%	$16,202	1.5%	95.8%
Liberty Mutual	$33,517	2.6%	82.5%	$36,487	3.1%	67.3%	$35,505	3.3%	58.5%
Zurich Insurance Group	$33,319	2.6%	58.7%	$28,873	2.5%	84.6%	$21,833	2.0%	68.3%
W. R. Berkley Corp.	$29,241	2.3%	62.6%	$26,518	2.3%	57.7%	$19,778	1.8%	58.8%
Selective Insurance Group Inc.	$28,725	2.2%	61.0%	$24,619	2.1%	78.3%	$22,346	2.1%	67.7%
Berkshire Hathaway Inc.	$27,278	2.1%	51.3%	$20,212	1.7%	18.8%	$20,026	1.9%	41.6%
American International Group	$24,194	1.9%	173.6%	$17,460	1.5%	103.2%	$16,007	1.5%	25.6%
Great American Insurance	$23,528	1.8%	66.4%	$22,385	1.9%	72.2%	$26,232	2.4%	62.3%
Hartford Financial Services	$23,279	1.8%	57.6%	$18,687	1.6%	45.9%	$17,015	1.6%	13.2%
Cherokee Insurance Co.	$23,023	1.8%	70.3%	$24,205	2.1%	99.1%	$24,507	2.3%	65.2%
Tennessee Farmers Insurance Cos.	$22,157	1.7%	56.8%	$18,851	1.6%	45.3%	$14,342	1.3%	46.7%
Statewide Totals	$1,286,606		64.2%	$1,163,997		63.8%	$1,074,750		58.7%

Source: S&P Global Market Intelligence and *Auto Insurance Report*.
Loss ratio = incurred losses/direct premium earned and does not include dividends or loss adjustment expense.

Warning: ***Auto Insurance Report*** is a confidential, copyrighted newsletter for subscribers only. No part of this publication may be shared outside of the subscribing organization without prior permission of the publisher. For information email dana@riskinformation.com.

Reprinted With Permission Of The Publisher

State Market Focus: TENNESSEE

Continued from Page 10

For commercial auto, more than 200 claims were reported, with over $8 million in incurred losses.

Despite the challenges, insurance companies in Tennessee benefit from a favorable regulatory and legislative environment.

Carter Lawrence
TDCI Commissioner

Carter Lawrence, who has served as TDCI commissioner since November 2020, made some changes in the Insurance Division leadership this summer. **Bill Huddleston**, who had led the Insurance Division since 2021, was promoted to deputy commissioner overseeing the department's insurance, regulatory boards, securities and TennCare Oversight divisions. **Scott McAnally**, who had been insurance director, was promoted to assistant commissioner of the Insurance Division.

Tennessee requires prior approval of personal insurance rates, but it enables carriers to immediately implement rate changes within a 15% range. For the 12 months ending June 30, the median days to approval for a personal auto rate filing in Tennessee was 25 days, according to **Perr and Knight's** *State Filings Pulse*. Even at the height of large rate hikes in 2022, the median was 46 days.

"Our legislature, over the decades, has been very diligent to maintain a competitive marketplace. They have allowed companies the freedom to write business as they need to – to have the kind of rate increases or decreases that they need to," Sanders said. "The less government intrusion there is in the long term, the better it is for consumers, and we see that in Tennessee."

The 2025 legislative session was quiet, with

Please see TENNESSEE on Page 12

Tennessee Snapshot

Regulator: Commissioner Carter Lawrence
Rate regulation: file and use for rate changes within 15% flex band within 12 months
Average rate approval time (4-quarter rolling avg 6/30/2025): 36 days; U.S. average: 67 days

Size of personal auto market: $6.76 billion (2024 DPW) Rank: 19th
Average policy expenditure: $1,050 (2023)
Rank: 34th
Auto Insurance Report PAIN Index rank: 24th (2023)
Property Insurance Report HURT Index rank: 18th (2022)

Auto registrations: 2.3 million (2023)
Truck registrations: 4.5 million (2023)
Vehicle miles traveled (VMT): 58.05 billion (2023)
Traffic fatalities: 1.59 per 100 million VMT; U.S.: 1.26 (2023)
Vehicle thefts: 451.4 per 100,000 residents; Region: 310.0 (2023)

Liability defense: modified comparative fault, 50% bar

Minimum Insurance Requirements:
BI: $25,000/$50,000 • PD: $25,000

Safety Laws
Ban on holding electronic devices; cellphone ban for novice drivers; primary enforcement seat belt law; motorcycle helmets required for all riders; red-light and speed cameras allowed

Demographics
Population: 7.2 million (2024)
Change 2010-2020: +8.9%, U.S.: +7.4%
Median household income (2024): $75,860; U.S.: $83,730
Population density: 167.6 per square mile; U.S.: 93.8 per square mile (2020)

Sources: S&P Global Market Intelligence; NAIC; Milliman; U.S. Dept. of Transportation; NAMIC; U.S. Census; FRED; Insurance Institute for Highway Safety; FBI; Matthiesen, Wickert & Lehrer

Warning: *Auto Insurance Report* is a confidential, copyrighted newsletter for subscribers only. No part of this publication may be shared outside of the subscribing organization without prior permission of the publisher. For information email dana@riskinformation.com.

Reprinted With Permission Of The Publisher

Focus: TENNESSEE

Continued from Page 11

no notable bills related to auto insurance. Even last year, when lawmakers passed (House Bill 2100) – a law prohibiting financial institutions and insurers from basing coverage on political opinions, affiliations or religious beliefs – it included amendments allowing for the use of risk-based rating. Efforts by the state's insurance industry also ensured carriers were not covered by the legislation's ban on "social scores," which include factors like the ownership and sale of firearms, compliance with environmental and diversity standards, and views on illegal immigration.

Scott McAnally Assistant Commissioner for Insurance

While insurers don't expect risk-based rating to be a priority in the state's upcoming legislative sessions, industry leaders say they continue to monitor potential legislation regarding its use.

"The ability to use factors that very much correlate with risk is very important to all insurance companies, especially private passenger auto insurance companies," an insurance executive said. "It's something that we're actively engaged in across the country."

More pressing matters as 2026 legislative priorities take shape include a possible bill that would take stronger action to reduce the rate of uninsured motorists on Tennessee roads. Though no specific proposals have been drafted, ideas under discussion include higher penalties for driving uninsured and "no pay, no play" legislation, which would restrict the ability of uninsured drivers to sue for noneconomic damages.

The **Insurance Research Council** estimated more than 21% of Tennessee drivers were uninsured in 2023, the fifth-highest rate in the country. In comparison, roughly 15% of all U.S. motorists were uninsured at that time.

Though not specific to Tennessee, inflation also remains a concern. Prices for vehicle inputs and replacement parts remain elevated, and tariffs could add more upward pressure on costs.

"Insurers want to be in a position to retain [customers] and grow as much as they can, but it's a challenge," said **Joe Roth**, assistant vice president, state government relations with the **American Property Casualty Insurance Association** (APCIA).

Despite these challenges, executives remain optimistic about the health of Tennessee's auto insurance market, with many suggesting that the rate tug-of-war will result in a win for insurers and consumers.

"From an opportunity standpoint, from an auto insurance standpoint," Sanders said, "I don't know how much better you can get." AIR

AUTO INSURANCE REPORT

Established 1993

Brian P. Sullivan Sr., Editor
bpsullivan@riskinformation.com

Leslie Werstein Hann, Managing Editor
(908) 310-7129
leslie@hannwriting.com

Patrick Sullivan, Senior Editor
(949) 412-5851
patsullivan@riskinformation.com

Ed McMenamin, Senior Editor
(217) 201-3956
edm@riskinformation.com

Korri Romero, Assistant Managing Editor
(512) 230-6634
kromero@riskinformation.com

Layout Editor: William Murphy
Contributing Writer: Hal Conick

Dana Horst Sullivan, Subscription Director
dana@riskinformation.com

www.riskinformation.com

Click Here for Index of Back Issues

Auto Insurance Report, © 2025, published weekly, 48 times a year, by Risk Information Inc., 33765 Magellan Isle, Dana Point, CA 92629. It is a violation of federal law to reproduce any part of this publication without first obtaining permission from the publisher. ISSN: 1084-2950

Warning: *Auto Insurance Report* is a confidential, copyrighted newsletter for subscribers only. No part of this publication may be shared outside of the subscribing organization without prior permission of the publisher. For information email dana@riskinformation.com.