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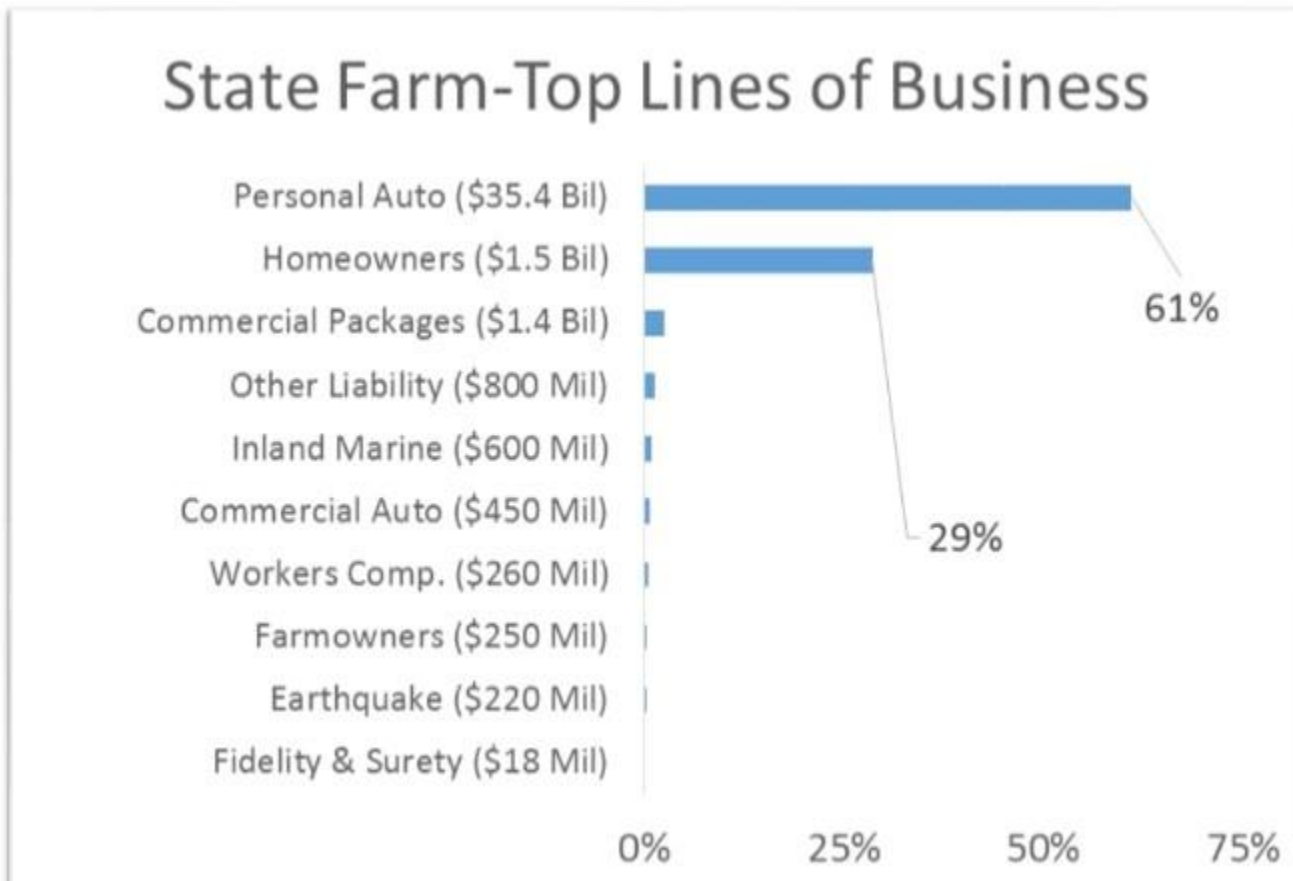
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STUDENT OF THE INDUSTRY PARTING SHOT: Part II *Automobile Premiums and Future*

Two weeks ago we took a look at GEICO and their highest penetration states for auto insurance. This was in consideration of potential changes in automobile insurance arising out of societal changes. GEICO premiums of their largest "dec page insurer" seemed to be more coastal and less central ([LINK](#)).

This week, we look at the industry's largest writer of automobile insurance, State Farm Group. What do you see in your agency's crystal ball for competition from State Farm five years from now? Almost two-thirds of State Farm Group premiums are in automobile insurance. If predictions of self-driving cars and services like Uber have individuals insuring fewer cars, how will State Farm adjust? It writes \$1 of every \$6 of automobile insurance premiums and auto is two-thirds of their premiums. Perhaps surprising is that State Farm is as big as they are in commercial. While commercial has not been State Farm's main emphasis, when you are the biggest insurer in the country, you get to \$5 billion in commercial premiums pretty quickly and that puts State Farm in the Top Ten of all insurer groups in combined commercial lines.



Source: A.M. Best 2015 Aggregates and Averages: 50 Leading Groups By Line of Business (Shown above are Net Written Premiums for 2014 and percentages are of total net written premium for all State Farm Group).

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