

# The Modern Auto Insurance Experience

How AI Accelerates  
Differentiation  
and Growth



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## THE LANDSCAPE

Auto insurance leaders are operating in a market where differentiation is harder than ever. Low rates are no longer enough to keep customers, and incremental service improvements don't really move the needle on retention or growth. The carriers gaining ground are the ones rethinking the entire customer experience.

From first quote to FNOL to claim resolution, every interaction is an opportunity to stand out. Seamless, responsive, and intelligently automated experiences are redefining what policyholders expect and what high-performing insurers deliver.

AI is making this shift possible. By removing friction, accelerating service, and enabling real-time engagement across channels, insurers can create a more intuitive, consistent experience that strengthens satisfaction, builds loyalty, and drives sustainable growth.



**30%**

**The average car insurance price increase over the past two years.**

Source: Bankrate

# The State of Auto Insurance Satisfaction

Both personal and commercial auto insurance premiums have surged in recent years.

Bankrate says average car insurance prices have increased by 30% over two years, with the average annual cost of full coverage reaching \$2,638 in 2025.

Commercial auto insurance rates have also seen large increases. According to CIAB, commercial auto rates increased by 6.6% in the fourth quarter of 2025, significantly higher than the average rate hike of 0.2% for the property and casualty market as a whole. This follows rate hikes of 7.4% in the third quarter, 8.8% in the second quarter, and 10.4% in the first quarter.

## When you pay more, you expect more, but that's not what auto insurance customers are getting.

The J.D. Power 2025 U.S. Auto Claims Satisfaction Study shared some interesting findings:

**-104**  
POINTS

Customers who had experienced a rate increase in the last 12 months had a satisfaction score of just 650, which is 104 points lower than customers who did not experience a rate increase.

**26%**

Many policyholders, especially younger drivers, are taking on higher deductibles to reduce premium costs, and 26% of auto insurance customers have a deductible of at least \$1,000.

**19.3**  
DAYS

Vehicle repair times have improved slightly, but they're still long, averaging 19.3 days.



# Put these three facts together and you see an alarming trend.

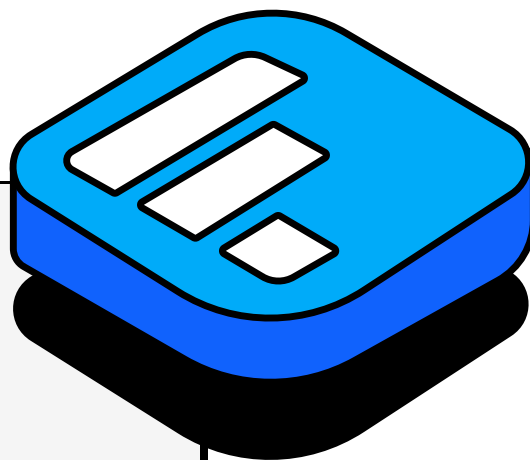
Policyholders are paying more, and they're understandably unhappy about it. If they have a claim, they may have to pay more out of pocket because they've chosen a high deductible, a decision they might regret. Then they still have to wait nearly three weeks to get their car back.

Now, you could argue that these factors are not the insurance company's fault. Prices have increased because losses have increased. Policyholders are choosing to take on high deductibles. Long repair times are often due to auto shop backlogs and supply chain issues.

**And you're right. It's not the insurer's fault, but it's still the insurer's problem.**

## YOUR POLICYHOLDER'S PERSPECTIVE

I'm paying higher premiums, I'm stuck with a larger deductible, and I'm waiting longer when I have a claim.



# Auto Insurance Shopping Trends

Drivers may be required to carry auto insurance, but they're not required to use a particular company. When they're unhappy with rates, claims, or customer service, they tend to shop around for a better deal.

## Shopping activity has been “hot” recently.

**57%**

of auto insurance customers have actively shopped for a new policy in the last 12 months.

Source: J.D. Power 2025 U.S. Insurance Shopping Study

**6.9%**

quarterly year-over-year shopping growth in Q4 2025

Source: LexisNexis

In the fourth quarter of 2025, quarterly year-over-year shopping growth rose to 6.9%, according to [LexisNexis](#).

The [J.D. Power 2025 U.S. Insurance Shopping Study](#) found that insurance shopping increased to 57%, up from 49%. Many shoppers were able to find lower prices elsewhere.

Auto insurance price hikes have been moderating, and while this may be a source of relief for some policyholders, many insurance customers are still upset about the cumulative effect of price increases in recent years. When they see that the market has softened and there are lower prices to be had elsewhere, they may be quick to leave.

**For an auto insurer looking to retain customer loyalty, this is a challenge.  
For auto insurers looking to attract new business, this is an opportunity.**

# Common Pain Points

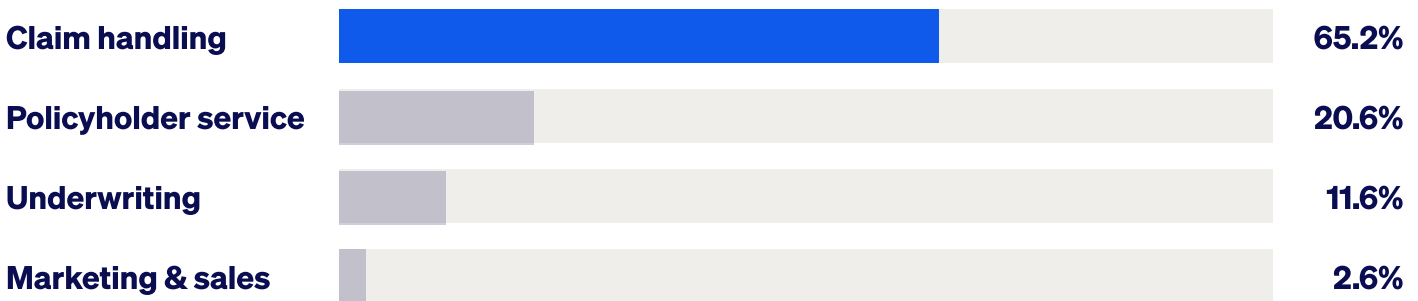
Auto insurance customers have a lot of complaints. [ValuePenguin](#) analyzed data from the National Association of Insurance Commissioners (NAIC) and found that 35.3% of closed 2024 insurance complaints involved auto insurance. Only accident and health insurance had more complaints, accounting for 36.6% of total complaints.

## Over 1/3

of closed insurance complaints are about auto insurance.

Source: ValuePenguin

The ValuePenguin analysis also looked at the most common processes involved in complaints:



Unsurprisingly, the claims process is particularly contentious. However, dissatisfaction can arise at any phase in the policyholder lifecycle.

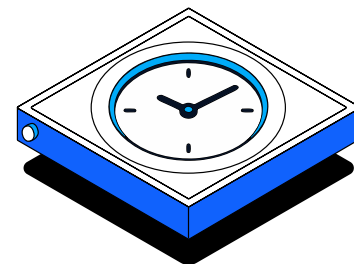
**These four pain points are especially common. In the past, it was hard for insurers to overcome these pain points, but AI is offering new solutions.**



# #1 Long Hold Times

## No one wants to wait on hold.

Many auto insurance customers call outside of business hours, either because that's when they have time to shop for insurance or because that's when a loss occurred, and they still want a fast response.



Here's what can happen if the insurer doesn't answer quickly:

<p><b>An auto insurance shopper calls to get a quote.</b></p> <p>After waiting on hold for a couple of minutes, he hangs up and tries the next insurer on his list. Whichever company picks up the phone the fastest may have the best chance of winning new business.</p>	<p><b>A current policyholder calls to find out whether her policy covers roadside assistance.</b></p> <p>After a few minutes on hold, she gives up. Her question is never answered, and the insurer misses out on an opportunity to sell an insurance add-on.</p>	<p><b>A commercial auto insurance policyholder calls to request a certificate of insurance.</b></p> <p>The process takes a lot longer than it should, which irritates the customer, adding to a growing sense of dissatisfaction. If customer service continues to lag, the policyholder may take the large account elsewhere.</p>	<p><b>A policyholder calls to report a loss.</b></p> <p>The long hold time means the claim gets off to a bad start, and the policyholder does not feel taken care of. Once the claim is resolved, the policyholder may start shopping around for a new insurer.</p>
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### What's the Solution?

**Voice AI** enables insurance companies to answer every single call with zero wait time. Customers can call during CAT surges, at night, on the weekend, or on a holiday, and they'll still receive an immediate response. In many cases, AI agents integrated with the insurer's systems can handle the call without human intervention. AI-powered forms and chatbots can give policyholders more options to meet their communication preferences.

**AI agents can resolve:**

- ✔ Coverage verification and certificate of insurance requests
- ⚠ First notice of loss (FNOL)
- ❓ Common coverage questions
- 💰 Premium payments
- 📄 Collection of all the information necessary for a quote

# #2 Slow Service Dispatch and Lagging Claim Response



Some claims require immediate roadside assistance.

Other claims are less urgent, but the sooner the repair process starts, the sooner it can end. If the insurer is slow to get the claim process moving, policyholder frustration is the likely result.

Several common problems can lead to delays:

No after-hours support.	Lack of triage	Inefficient systems	Unoptimized networks
Nothing happens until the next business day.	Urgent claims aren't identified and prioritized.	Claims data needs to be entered manually.	None of the auto shops the insurer works with can do the job quickly.

**What's the Solution?**

AI-powered processes can speed up the claims process, reducing or even eliminating delays.

### AI agents can:

- Provide after-hours support.
- Automate data collection, data entry, and data integration between systems to instantly verify/check the policyholder's coverage, DMV records, police reports, valuation software, fraud detection software and more.
- Implement claims triage for urgent matters.
- Automate vendor assignments and roadside assistance to accelerate response.



**BRANCH**

Branch uses its Voice AI agent, **cAltlin**, to accelerate auto insurance response times by deploying:

- 24/7 claims reporting with no wait
- Automated roadside assistance dispatch
- Integrated fraud detection for photos and videos

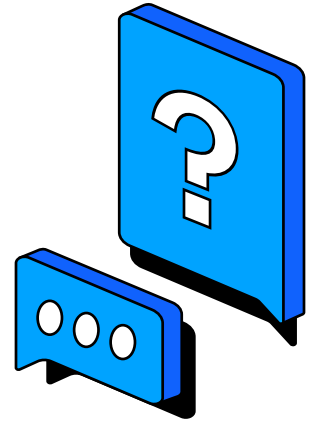
# #3 Poor Claim Communication

Being without a car isn't just an inconvenience for a lot of people. It's a disaster.

Without a car, people can't drive to work, run errands, or provide transportation for their children. Businesses also suffer, and revenue loss becomes a serious risk.

Having to wait weeks for repairs or payouts is bad enough. Being kept in the dark makes it even worse. Even if the insurer is doing everything they can to move the claim along as quickly as possible, if the claimant doesn't hear anything for days or weeks at a time, they might assume nothing is happening.

Ideally, the policyholder would always be kept in the loop, but in reality, poor communication is a common problem.



<p>01</p> <p><b>Too busy to send updates.</b></p> <p>The claim handler is busy and doesn't have time to send updates.</p>	<p>02</p> <p><b>Business hours only.</b></p> <p>The policyholder can only reach someone during business hours, but the policyholder is also too busy to call during business hours.</p>	<p>03</p> <p><b>Only when status changes.</b></p> <p>Updates are only sent when something changes in the claims status, but the policyholder wants to be able to see what's happening at other times.</p>
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## What's the Solution?

Text and email a "claim status" link where they can see what's happening with their claim anytime and view near real-time updates. With AI-enabled communication, it's easy to keep policyholders in the loop.

### AI agents can:

- Provide automated updates.
- Respond to claims status queries.
- Accept additional information and documentation.

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**Aspire General Insurance** used pre-built integrations to embed AI agent Nicole into its claims journey.

The Voice AI solution can provide claim numbers, trigger processes, and send claim confirmations.

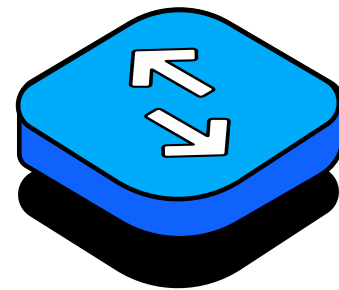
It resolves 80% of calls autonomously and supports warm transfers for the other 20%.

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**"Our perspective on AI and tech is either adapt to it or die. That's really where partners like Liberate come into play for us."**

— Myles Storms,  
Senior Chief  
Operating Officer

# #4 Mismatch Between Results and Expectations



The policyholder feels cheated either way.

Some of the biggest insurance complaints involve claims that are denied, or payouts that are less than expected. Often, the mismatch stems from misunderstandings about insurance coverage. The policyholder thinks they're entitled to compensation because they're paying for insurance, but they don't understand their policies terms.

**Consider the following scenarios.** In cases like these, the policyholder may feel cheated and decide to leave poor reviews and switch insurers, even though the insurer is just following the policy terms.

<p><b>SCENARIO 01</b></p> <p><b>A car is stolen.</b></p> <p>The policy covers the car but not the expensive laptop that was inside the car. The policyholder is a renter without renters insurance, so there is no coverage available for this loss. The policyholder is angry because they assumed comprehensive coverage covered everything</p>	<p><b>SCENARIO 02</b></p> <p><b>A car is totaled in a collision.</b></p> <p>The insurer pays the claim, but it's for the actual cash value, and due to the effect of inflation, this is not enough to cover the full price of a new vehicle. The policyholder thinks the insurer is lowballing them.</p>	<p><b>SCENARIO 03</b></p> <p><b>A rock hits the windshield and causes severe damage.</b></p> <p>The windshield needs to be replaced. The policyholder has a \$1,000 deductible, which is more than the cost of a new windshield, making coverage useless in this case. Full glass coverage with no deductible was available, but the policyholder didn't understand its value and turned it down. Now the policyholder is upset.</p>
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## What's the Solution?

**Expectation management starts before a loss even occurs.**

**AI agents can:**

- Provide coverage details via chat or phone, with zero wait times.
- Communicate in an easy-to-understand, conversational voice.
- Provide bilingual support.
- Send a coverage summary and/or answers to Frequently Asked Questions to the claimant immediately following the claim report.
- Provide a warm handoff to a human, or schedule personal follow-up, if the AI agent senses that a misunderstanding may be brewing during the conversation.

# Ready to Seize Your Competitive Advantage?

Auto insurers can't control everything, but they can control the customer experience they deliver. With Liberate's Voice AI + Digital FNOL solutions, it's easier than ever.

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Nonstandard auto carrier Falcon Insurance Group chose Liberate Voice AI FNOL to modernize its FNOL process and deliver quality, bilingual, 24/7 claim response.

Now, Falcon expediently captures all the necessary claims information, 24/7, while it's still fresh in claimants' minds. Another factor that influenced Falcon's decision was Liberate's existing integration with their core policy management and claims system, Insuresoft.

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**“We chose Liberate due to the quality of the engineering team, the honesty of the management team and the quality of the claims accuracy.”**

— Brandon Miller,  
Chief Technology Officer.



## THE LIBERATE ADVANTAGE

**10.6%**

Net sales lift from revenue recovered from missed calls

**25-35%**

Operating costs reduction in FTE savings

**14x**

Surge capacity during back-to-back CAT events, zero added headcount

**1 sec**

Speed to answer vs 99 secs average hold time

### Request a demo

Get 30-minute walkthrough tailored to your auto insurance use case. No commitment required.

SCAN TO REQUEST A DEMO  
[liberateinc.com/demo](https://liberateinc.com/demo)



# A B O U T   L I B E R A T E

Liberate is the System of Action for Insurance, deploying insurance-native AI agents across sales, service, and claims. Liberate helps carriers, agencies, and insurance operators drive more than 10% revenue growth and delight their customers while cutting operating costs by greater than 25% by resolving customer requests end-to-end across voice and digital channels.

Unlike basic voice bots or horizontal AI platforms, Liberate orchestrates complete workflows with built-in governance, safety controls, and full auditability designed for regulated, long form customer interactions. Today, Liberate supports insurance operations representing over \$100B in premium volume.



The Most Trusted AI in Insurance.

[liberateinc.com](https://liberateinc.com)