



Car Insurance Shoppers Still Prefer To Deal With Local Agents Over Direct Carriers

In a sample of the US market, CoverHound.com determined that car insurance shoppers prefer to work with local agents over direct carriers when buying an auto insurance policy. However, it was also concluded that younger drivers and renters prefer working directly.

San Francisco, CA ([PRWEB](#)) January 6, 2011 -- A recent study by an online auto insurance comparison site, CoverHound.com, concluded that car insurance shoppers still prefer to work with a local agent when buying a policy versus buying from a direct carrier. In a survey of the US market, CoverHound found that 39% of shoppers prefer to deal with a local agent, 32% prefer to work with carriers directly, while 29% are indifferent.

While carriers such as StateFarm and Allstate, who primarily sell insurance through local agents, still dominate US market share, national carriers such as Geico and Progressive, who focus heavily on the direct-to-consumer model, continue to capture more of the market.

As expected, younger shoppers in the sample were most likely to prefer to work with carriers directly, while older shoppers prefer to deal with a local agent. 50% of 18-25 year olds surveyed indicated that they preferred a direct carrier to a local agent, while only 27% of 41-50 year olds held a similar preference. Since younger populations tend to be more comfortable transacting online, it may come as no surprise that they would exhibit a preference for direct carriers who typically offer sophisticated online capabilities to purchase and manage car insurance policies.

It remains to be seen how the consumer behavior will trend out over time. As younger populations age, they will represent a bigger share of the overall market, but will their preferences shift as their assets and responsibilities increase? Carriers who primarily utilize local agents tend to have more robust product offerings such as homeowners insurance and life insurance policies, which may make them more attractive as younger populations age.

The study also concluded that renters are more likely to prefer dealing with a direct carrier than homeowners. 36% of renters surveyed prefer to work directly, compared to 25% of homeowners. In addition, responders who were looking to insure more than one driver on their policy were more likely to prefer working with a local agent (45%) than single driver policies (37%).

Additional information on this survey can be found at [CoverHound.com](#).

About CoverHound:

CoverHound is the fast and simple way to [get car insurance quotes online](#). A new kind of insurance comparison platform, CoverHound asks that drivers provide only their most pertinent personal information and then matches them with a short, qualified list of national and local insurance providers. Founded in 2010, CoverHound is based in San Francisco, Calif. To learn more, visit [CoverHound.com](#).

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