



The future of car insurance

A consumer demand report

Root



Consumers are frustrated

It's an all-too-familiar moment for many drivers: You open your auto insurance renewal bill, expecting a flat or maybe even reduced rate for your clean driving, only to be hit with a significant, unexplained rate hike. That feeling—the punitive sting of being overcharged despite maintaining a spotless record—is a systemic issue, not just a subjective complaint.

Consumer frustration with outdated, high-cost auto insurance is an objective, data-validated reality. To understand this sentiment we polled 1,000 drivers across the U.S., and combined the results with Root's proprietary driving data from nearly one million drivers. The findings clearly show an overwhelming demand for a modern model.

This widespread dissatisfaction has built an overwhelming demand for change, and the path to fairness is clear:

**personalized pricing based on
actual driving behavior.**



The problem is widespread

More than 75% of drivers polled feel that car insurance pricing is outdated, with over half citing high cost as their number one frustration.

The solution is nearly unanimous

95% of consumers say they are interested in rates based on their driving behaviors. This level of interest confirms that the appetite for a fair model is nearly unanimous, indicating that the industry is ready for a change.

The potential reward is tangible

Personalized insurance driven by the conscientious use of telematics to record only the driving data that's needed directly solves the high-cost frustration. Our data shows that by aligning premium to performance, customers who adopt safer driving behaviors can unlock substantial savings.

The current risk-pooling system is fundamentally broken in the eyes of the consumer. The auto insurance industry must now move to align pricing with individual behavior, satisfying overwhelming demand and correcting systemic fairness issues.



Legacy pricing is failing users

Imagine a Baby Boomer, a safe driver with a clean record for decades, receiving an expensive auto insurance renewal bill. They feel unrewarded for their long-term safe habits and penalized by a system that groups them with higher-risk drivers.

This frustration is widespread and quantifiable, impacting drivers across all demographics.



of consumers polled feel car insurance pricing is **outdated**



of consumers polled cite **high cost** as their biggest frustration



Consumers are shifting their priorities, with

44%

of respondents believing that driving behavior should be the single most important factor in determining their price.

This belief leads directly to our core finding:

95% of drivers say they are interested in rates based on their driving behaviors.

Usage-based insurance, or UBI, offers a sensible and immediate opportunity to combat the current opaque auto insurance processes that frustrate and confound drivers.



Feelings of pricing inequity is widespread, regardless of age

The crux of the problem current auto insurance practices face is systemic inequality.

34%

of polled drivers believe traditional risk pooling “unfairly penalizes safe drivers.”

Behind this sentiment lies a clear generational fairness gap.



Baby Boomers are

2.2x
more likely

to view the
system as unfair

Millennials &
Gen Z are

3x
more likely

to view the
system as fair



Baby Boomers are 2.2 times more likely to find the system unfair. For these long-term, safe drivers, their good records often end up subsidizing the higher-risk profiles of other groups. A younger, "average" driver (such as a Millennial or a Gen Zer) is 3 times more likely to view the system as fair because their risk profile aligns more closely with the current average rate.

Despite this generational divide, the desire for change is widespread: 96% of the 77% of drivers who think pricing is outdated are interested in rates based on driving behavior.

There is, however, a critical paradox. Older drivers are less likely to enroll in telematics programs¹, despite being the group that finds the current system the most unfair and would benefit the most from lower rates. This resistance, often stemming from privacy concerns, prevents the lowest-risk group from accessing the fairer premiums they desire.

With Root, behavior is currency

The solution is to put pricing control back in the hands of drivers. Telematics offers pricing based on driving behavior, which directly addresses the 57% cost frustration by redistributing risk in a more equitable manner.

Our internal data proves this is not just a preference, but a viable and fair model. In an analysis of nearly a million drivers, we confirmed that safe driving is measurable and varies across demographics. More importantly, the UBI model directly addresses the number one consumer frustration: high cost.

There's a tangible link between the action of safe driving and reward:



Reducing risky behaviors like hard braking by 50% may help a driver save up to 28%.



Reducing distracted driving by 50% may save drivers up to 20%.

This system rewards individual action over demographic averages. While younger drivers may face higher initial premiums based on their age group, telematics allows them to see significant savings by proving their individual, safe behavior.

44%

of consumers say they're concerned about privacy in the face of this technology, though this must be viewed as a known business factor, not a flaw.

It's important to clarify that telematics is engineered to monitor specific, relevant driving behaviors such as distracted driving, braking, speed, and acceleration—not every metric or activity, and certainly not personal conversations. The concrete promise of fairness and significant savings for the willing majority (95% interested) successfully outweighs data concerns, proving the model's viability for market segments ready to adopt.

The cross-tab findings confirm the market-ready opportunity, with the vast majority of those who feel pricing is outdated being interested in UBI. This shows the solution is already tied to the problem in the consumer mindset. UBI transforms insurance from an opaque financial requirement into an empowering tool that rewards individual responsibility and allows drivers to control their cost—a critical need in today's value-focused market.





Your roadmap to fair pricing

The data is unequivocal. The feeling of being penalized when receiving a renewal bill, despite years of safe driving, is not an isolated incident, but the direct result of a structural failure in the traditional insurance model. Consumers are fundamentally unsatisfied, and they have clearly stated their demands.

This analysis provides the roadmap. The industry must implement a transparent, personalized pricing model driven by telematics to capture the interested market, correct the structural unfairness that penalizes safe drivers, and finally align the price of insurance with the actual risk of the individual behind the wheel. The era of rewarding behavior, not demographics, must begin now.

Methodology

This report combines a survey of approximately 1,000 licensed U.S. drivers with Root Insurance’s proprietary internal data to analyze potential relationships between driver behavior and insurance pricing. The survey was conducted in September 2025 in partnership with Pollfish. Respondents were composed of U.S. adults aged 18 and older. By integrating attitudinal insights from the survey on car insurance pricing with driving behavior data, we believe this methodology helps inform our understanding of trends shaping modern auto insurance.

Respondents for this survey were selected from among those who have agreed to participate in online surveys. The data has been weighted to approximate the composition of the adult population. Because the sample is based on those who agreed to participate in our panel, no estimates of theoretical sampling error can be calculated. Propensity score weighting was also used to adjust for respondents’ propensity to be online. As a result, the findings may not be fully representative of all U.S. drivers.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error, which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Any calculated margins of error are theoretical and apply only to idealized random samples with full response rates, which are not present here.

Data privacy

Data privacy is extremely important to Root. All data used in this survey was collected with the permission of drivers who enabled app permissions for Root to measure their driving. Root handles all data in accordance with its Privacy Policy, available at www.joinroot.com/privacy.

