

New Tariffs on Automakers Expected to Impact Auto Insurance Rates

Independent agency explains the potential impact of the new tariffs to auto insurance premiums and what consumers can do to protect themselves from rising costs.



CAPITOL BENEFITS

INDEPENDENT INSURANCE AGENCY

Gaithersburg, Maryland Apr 4, 2025 ([IssueWire.com](https://www.issuewire.com)) - Capitol Benefits, LLC, a leading independent insurance agency, announces potential changes in auto insurance rates due to the newly imposed tariffs on automakers. These tariffs are expected to increase the cost of auto parts, which will likely have a ripple effect on insurance premiums.

Josh Lavine, President of Capitol Benefits, explains, "The recent tariffs on automakers are set to raise the cost of many vehicle parts significantly. As repair costs rise, insurance companies will need to adjust their premiums to cover the increased expenses. This means that consumers may see higher auto insurance rates in the near future." Further, he explains, "Consumers are already dealing with higher insurance rates due to the increased cost of labor and parts. This is just another round of premiums increases that consumers can expect. Fortunately, we are well prepared to protect our clients from these increases."

Some things that consumers can do to mitigate the impact on their rates are:

- **Increase their deductibles** – Higher deductibles mean lower premiums
- **Self-insure the small stuff** – Don't file claims for small claims that you can easily cover the cost of repairs out of pocket
- If you are in an accident and nobody is injured, **call the other party's insurance company directly** rather than reporting it to your own insurance company. Some insurance companies will raise your premiums even if an accident isn't your fault.
- **Use an independent agent** – Some insurance companies are better for younger drivers, some for older drivers, some for those with accidents on their record and some for perfect records. Most people will need to change insurance companies as their situation changes. An

independent agent can easily assist with this since they have all of your information already.

The tariffs, which affect a wide range of automotive components, are anticipated to increase the price of some new and used vehicles by up to 25%, including domestic and foreign vehicles. This price hike will not only impact car buyers but also the cost of repairs and replacements, leading to higher insurance claim payments. Consequently, insurance providers will need to recalibrate their pricing models to account for these increased costs.

Lavine adds, "At Capitol Benefits, we are committed to helping our clients navigate these changes. We encourage consumers to review their current policies and explore options to mitigate the impact of rising insurance rates. Our team is here to provide guidance and support during this transition."

Capitol Benefits, LLC, represents over 200 esteemed insurance companies and offers comprehensive coverage across various insurance sectors. For more information or to schedule a consultation, please contact Capitol Benefits at (301) 431-0000 or visit www.capitolbenefits.com.

****About Capitol Benefits, LLC****

Capitol Benefits, LLC, is an award-winning independent insurance agency based in Gaithersburg, MD. With over 22 years of experience, Josh Lavine and his team provide personalized insurance solutions to meet the unique needs of their clients. Capitol Benefits is dedicated to delivering exceptional service and ensuring the best possible coverage at competitive rates.

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