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## **AS VEHICLES PER MILE INCREASE, SO DO INSURANCE LOSSES**

The chances that a driver will file an insurance claim for injury, vehicle damage, or theft go up as the number of passenger cars per square mile increases. This is the conclusion of a special report from the Highway Loss Data Institute (HLDI) that examines the relationship between claims data and vehicle density.

HLDI has found a consistent pattern of rising insurance losses with increasing vehicle density since it began analyzing this issue 20 years ago. Special reports were also published in 1974, 1975, 1985, and 1988.

In the new report the counties and independent cities of the United States are grouped into six vehicle density categories based on 1990 census data. Insurance claims data are examined for 1990-92 model cars, large vans, pickup trucks, and utility vehicles by size class and body style.

### **Injury Claims**

Drivers who live in areas with the highest concentration of vehicles are almost 25 percent more likely to file an auto insurance claim under personal injury protection coverages than those living in areas with the fewest vehicles per square mile.

Injury claim frequencies increase as vehicle density increases for nearly all of the various size class and body style combinations. Small and midsize cars register the highest injury claim frequencies in all density categories, and pickups have lower than average injury claim frequencies.

### **Collision Claims**

The likelihood that a driver will file a collision coverage claim is about 40 percent higher in areas with 1,000 or more cars per square mile compared with areas with fewer than 50 cars per square mile.

Average loss payments per collision claim tend to be somewhat less in the more dense areas for most body style and size class combinations. For all ve-

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The Insurance Institute for Highway Safety and the Highway Loss Data Institute are independent, nonprofit public service organizations that identify, develop, and evaluate ways to reduce the losses — deaths, injuries, and property damage — resulting from crashes on the nation's highways. Their work is wholly supported by the American Insurance Highway Safety Association, the American Insurers Highway Safety Alliance, the National Association of Independent Insurers Safety Association, and a number of individual insurance companies. Editor: Maria Kaufmann.

hicles combined, the highest average loss payment is found in the least dense area, but there is only a 5 percent difference in the average claim size between the least dense areas and the most dense.

Overall collision losses, combining claim frequency and average loss payment, are about 30 percent higher in the most dense areas compared with the least dense.

### Theft Claims

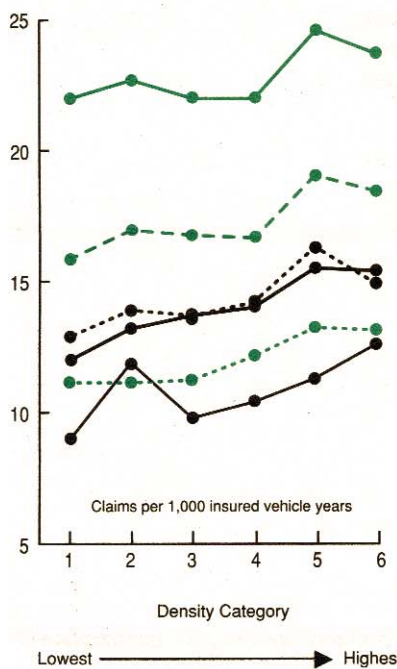
Overall theft claim frequencies are more than twice as high in the most dense areas compared with the least dense. The frequency of claims is highest for small utility vehicles in the highest vehicle density areas.

The average theft claim size is little different for the four lower density areas but significantly higher in the two more dense areas. In the most dense areas the average theft claim is about 35 percent or \$1,000 higher than in the least dense areas.

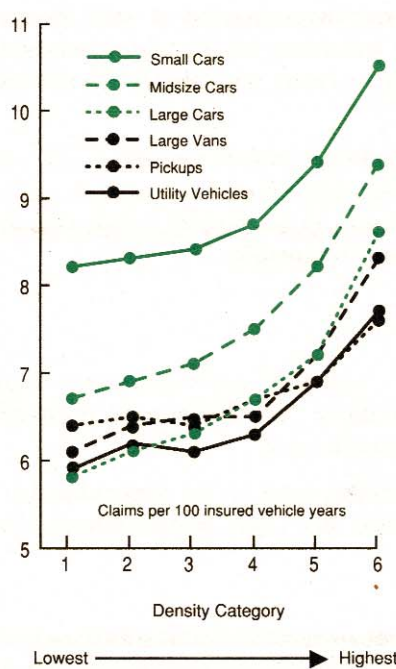
Overall theft losses — average theft losses per insured vehicle year — are more than three times higher in the most dense areas compared with the least dense areas.

For further information, see “Insurance Losses by Vehicle Density” (A-40), Highway Loss Data Institute, June 1993.

**INJURY**  
Claim Frequency by Vehicle Density



**COLLISION**  
Claim Frequency by Vehicle Density



**THEFT**  
Claim Frequency by Vehicle Density

