

AUTO INSURANCE *loss facts*

**HIGHWAY LOSS
DATA INSTITUTE**

THEFT LOSSES

HISTORICAL TRENDS IN LOSSES OF NEW PASSENGER VEHICLES, 1998-2007

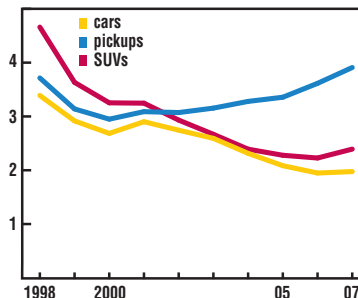
Theft losses may be due to theft of an entire vehicle or vehicle components such as sound systems and airbags. The information in this fact sheet is based on theft coverage results for passenger cars (including minivans), pickup trucks, and SUVs insured under private passenger automobile policies during their first 4 years of availability. The loss amounts reflect paid claims. They don't include the deductible amounts paid by insured vehicle owners.

The average overall theft loss under comprehensive coverage was \$22 in 2007. Fluctuations in theft losses during 1998-2007 mainly were driven by fluctuating claim frequencies. Changes in the vehicle fleet also have influenced theft losses over time. So have changing vehicle prices and insurance policy deductibles. More vehicles are being equipped with antitheft devices, many of which are highly effective. For example, immobilizing devices cut off fuel and/or electrical power necessary to start vehicles.

Two main factors determine theft losses. One is how often claims are filed (claim frequency). The other is how big the claim payments are, depending on the amount and severity of the losses (average loss payment per claim). These factors combine to indicate overall insurance losses, or average loss payments per insured vehicle year. The overall loss is the average cost of insuring a vehicle for one year, excluding administrative costs.

CLAIM FREQUENCIES

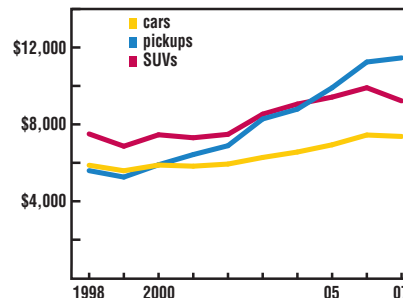
CLAIMS PER 1,000 INSURED VEHICLE YEARS;
FREQUENCIES ARE FOR 4 MOST CURRENT MODEL
YRS OF VEHICLES DURING 1998-2007



Claim frequencies declined among cars and SUVs. Among the SUVs, the average frequency dropped from 4.7 claims per 1,000 insured vehicle years in 1998 to 2.4 in 2007. Beginning in 2001, the downward trend for pickups reversed and slight increases continued through 2007.

AVG LOSS PAYMENTS PER CLAIM

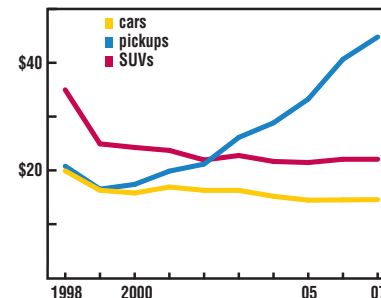
LOSS PAYMENTS ARE FOR 4 MOST CURRENT
MODEL YRS OF VEHICLES
DURING 1998-2007



The decline in claim frequencies was offset by increasing severities. Since 1998, results for pickups have increased at a much greater rate than for cars. SUVs had the highest loss payments among vehicle types until 2005, when results for pickup trucks surpassed those for SUVs. In 2007, loss payments for pickups were more than 50 percent higher than those for cars.

AVG OVERALL LOSSES

CLAIMS PER 1,000 INSURED VEHICLE YEARS;
FREQUENCIES ARE FOR 4 MOST CURRENT MODEL
YRS OF VEHICLES DURING 1998-2007



Overall losses for cars and SUVs have remained relatively flat after big decreases during 1998-99. Results for pickups have increased substantially since 1999 and now are at least twice as high as losses for cars and SUVs.

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THEFT LOSSES BY VEHICLE TYPE AND MODEL YEAR, 1998-2007

Year	CARS			PICKUPS			SUVS		
	claim freq: claims per 100 insured vehicle yrs	Avg loss payments per claim	Avg loss payments per insured vehicle yr	claim freq: claims per 100 insured vehicle yrs	Avg loss payments per claim	Avg loss payments per insured vehicle yr	claim freq: claims per 100 insured vehicle yrs	Avg loss payments per claim	Avg loss payments per insured vehicle yr
1998	3.4	\$5,873	\$20	3.7	\$5,592	\$21	4.7	\$7,502	\$35
1999	2.9	\$5,586	\$16	3.1	\$5,258	\$17	3.6	\$6,862	\$25
2000	2.7	\$5,883	\$16	2.9	\$5,898	\$17	3.3	\$7,458	\$24
2001	2.9	\$5,825	\$17	3.1	\$6,429	\$20	3.2	\$7,303	\$24
2002	2.7	\$5,936	\$16	3.1	\$6,890	\$21	2.9	\$7,481	\$22
2003	2.6	\$6,279	\$16	3.2	\$8,282	\$26	2.7	\$8,532	\$23
2004	2.3	\$6,561	\$15	3.3	\$8,792	\$29	2.4	\$9,056	\$22
2005	2.1	\$6,936	\$14	3.4	\$9,905	\$33	2.3	\$9,418	\$21
2006	1.9	\$7,446	\$15	3.6	\$11,244	\$41	2.2	\$9,906	\$22
2007	2.0	\$7,371	\$15	3.9	\$11,458	\$45	2.4	\$9,222	\$22