



Historical loss trends by coverage

The Highway Loss Data Institute (HLDI) tracks insurance losses by vehicle type. Historical trends in claim frequencies, claim severities, and overall losses are shown for each insurance coverage, except for bodily injury liability. The trend lines contained in this report are published in HLDI's current standard reports. The trend data have not been standardized, nor have they been adjusted for inflation. For every calendar year, vehicles were up to 4 years old during the period studied.

The purpose of HLDI's standard reports is to provide the most timely results for relatively new vehicles. These reports are produced throughout the course of a year starting with collision and property damage liability in December, followed by comprehensive in April and bodily injury liability, medical payment and personal injury protection in September. As a consequence of this schedule, the later reports include an additional calendar year.

A vertical line appears between calendar years 2006 and 2007 to indicate a change in the reporting procedures for one company; data for this company were excluded through 2006 and included beginning in 2007.

► Collision

Collision coverage insures against physical damage sustained in crashes to insured people's own vehicles.

Between 2000 and 2012, collision claim frequency for all vehicle types combined exhibited a general downward trend (**Figure 1**). However, since 2012 collision claim frequency has increased by over 9 percent. Passenger cars were the most affected, with an increase in collision claim frequency of 14 percent, whereas claim frequency for SUVs and pickups both increased by a little over 7 percent between 2012 and 2016.

Collision claim severities for all vehicle types combined increased steadily until 2006 (**Figure 2**). Between 2006 and 2010, collision claim severity for all vehicles combined remained relatively stable before increasing again in 2011. Between 2011 and 2016, collision claim severity rose by 30 percent. The recent increase in collision claim severity is true across all vehicle types, with pickups and SUVs having the largest increases in claim severity of 37 and 35 percent, respectively, over the same period. Consequently, beginning in 2014, pickups replaced passenger cars as having the highest average collision claim severity.

Similar to claim frequency and claim severity, collision overall losses have been increasing for all vehicle types combined since 2010 (**Figure 3**). Collision overall losses were 45 percent higher in 2016 compared with 2010. Overall losses for passenger cars, SUVs, and pickups have followed a similar pattern. Although overall losses for SUVs began increasing in 2009, overall losses for pickups did not begin increasing until 2011.

Figure 1: Collision claim frequencies by calendar year and vehicle type based on 4 most recent model years

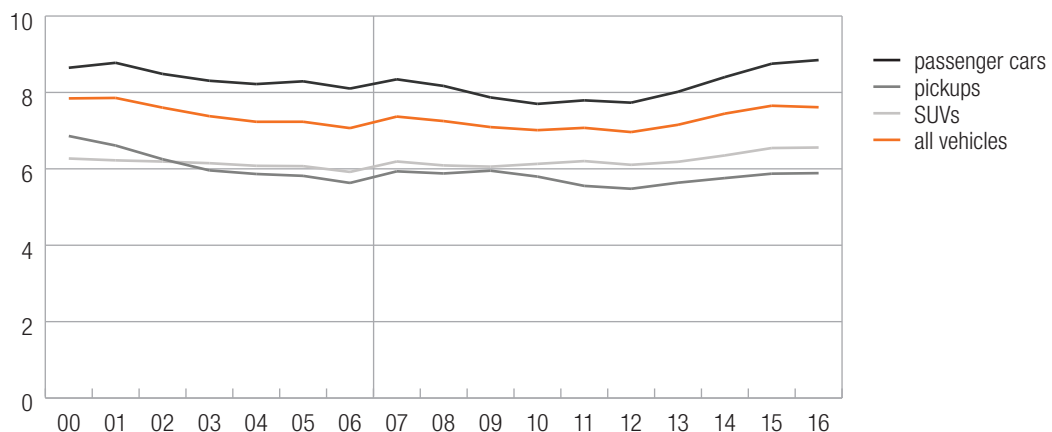


Figure 2: Collision claim severities by calendar year and vehicle type based on 4 most recent model years

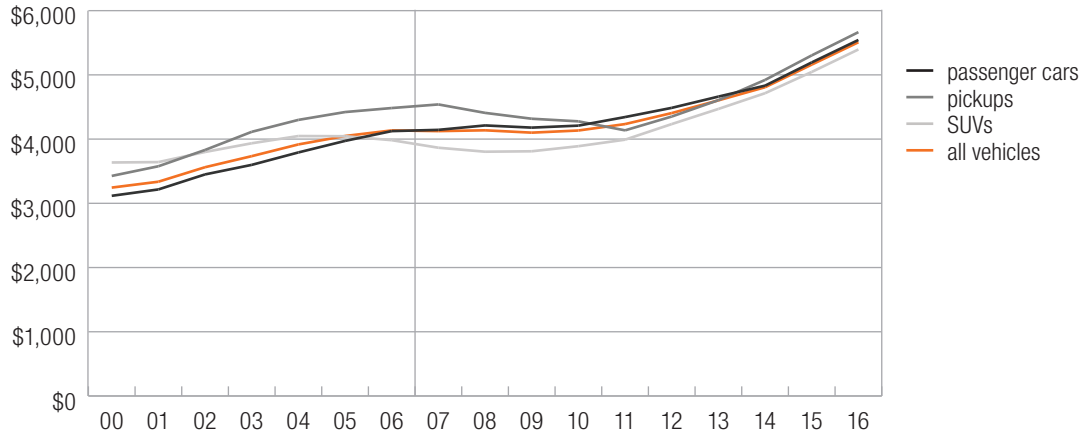
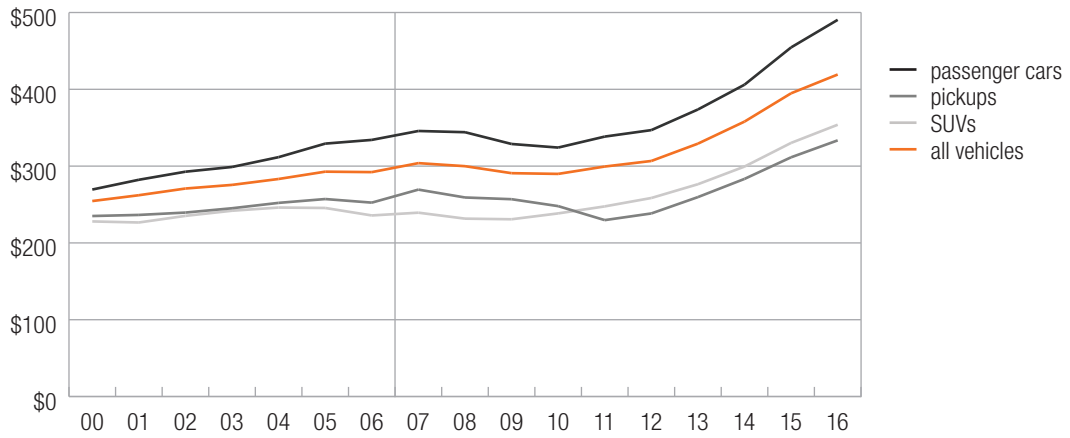


Figure 3: Collision overall losses by calendar year and vehicle type based on 4 most recent model years



► Property damage liability

Property damage liability coverage insures against the physical damage inflicted in a collision by the insured to another vehicle or to other property when the insured driver or vehicle is deemed to be at fault under applicable state laws.

Property damage liability claim frequency for all vehicles types combined generally declined until 2012 (Figure 4). Between 2012 and 2016, claim frequency increased slightly. The frequency of claims for pickups and SUVs decreased gradually but remained relatively level for passenger cars. Consequently, passenger cars, which had the lowest property damage liability claim frequency until 2010, had the highest claim frequency from 2011 through 2016.

Property damage liability claim severities have steadily increased since 2000 (Figure 5). Overall losses increased from 2000 through 2007, followed by a brief period of decline until 2010–11 before steadily increasing again (Figure 6).

Figure 4: Property damage liability claim frequencies by calendar year based on 4 most recent model years

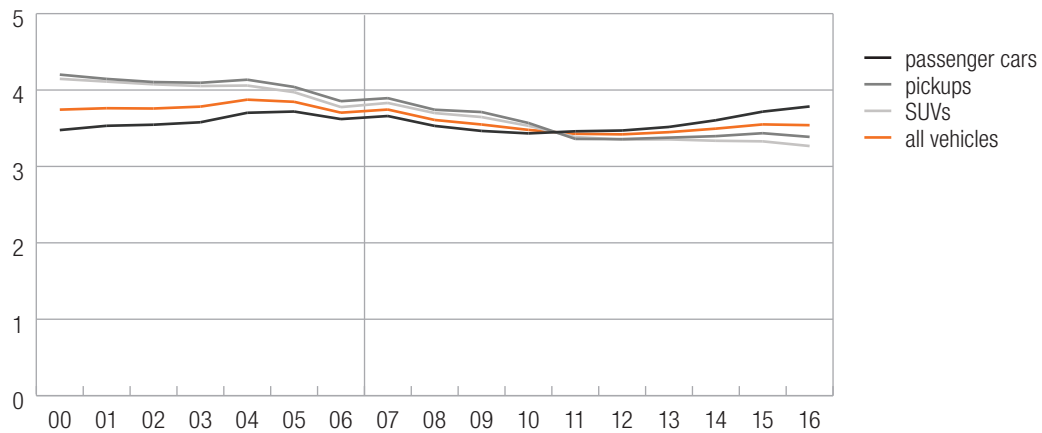


Figure 5: Property damage liability claim severities by calendar year based on 4 most recent model years

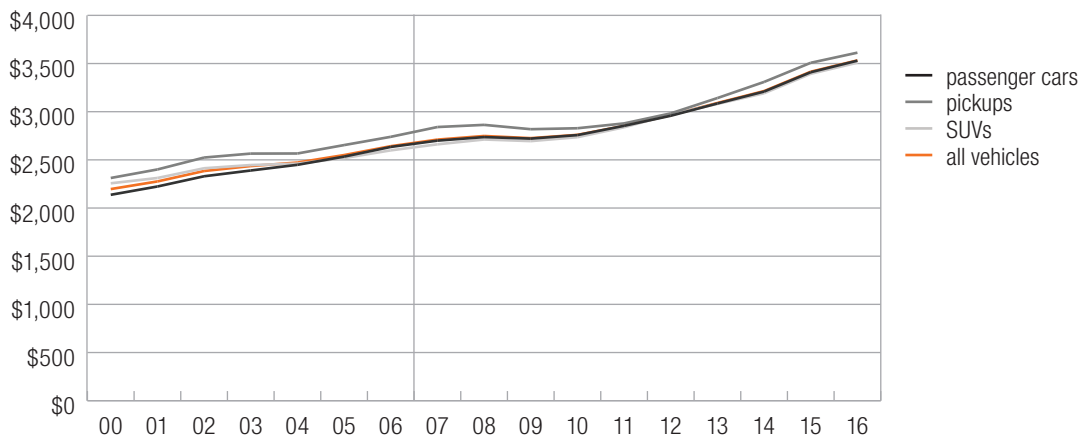
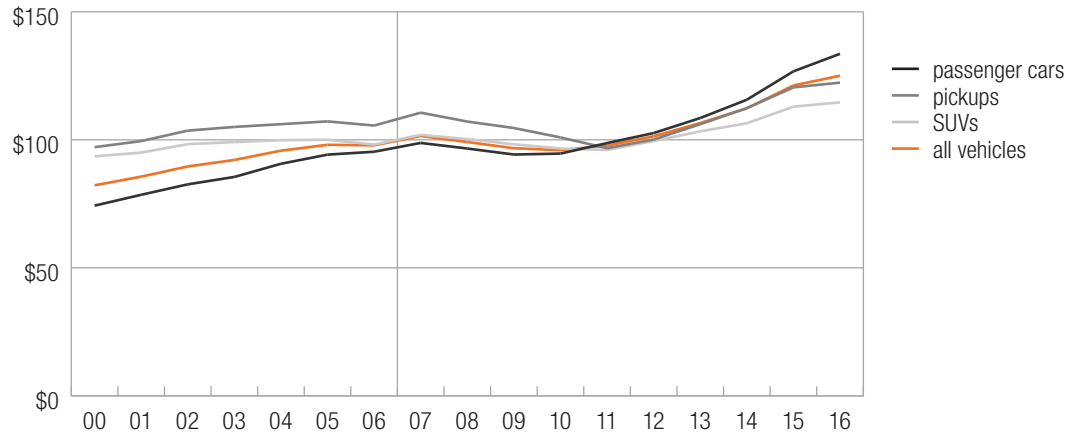


Figure 6: Property damage liability overall losses by calendar year based on 4 most recent model years



► Comprehensive

Comprehensive losses are comprised of three loss types: theft, glass, and other. Theft represents losses resulting from the theft of a whole vehicle, contents, or components. Glass represents the repair or replacement of vehicle glass damaged by rocks or road debris hitting the glass and from other noncollision events. Other represents losses resulting from the repair or replacement of components damaged by rocks or road debris and damage caused by noncollision events such as fire, vandalism, acts of nature, or animal strikes. Most insurance companies consider an animal strike to be a comprehensive coverage event and not a collision coverage event.

Comprehensive claim frequency for all vehicle types exhibited a general downward trend until 2007, followed by an upward trend until 2011, and then another downward trend until 2016 (**Figure 7**). Claim frequency for passenger cars, pickups, and SUVs all followed the same general trend. However, the difference in frequencies between the three vehicle types has gradually narrowed over time. In 2000, claim frequency for pickups was 35 percent higher than that of passenger cars but had declined to only 21 percent higher by 2016.

Comprehensive claim severities for all vehicle types rose between 2000 and 2008, and experienced a sharp increase in 2012 (**Figure 8**). This spike in losses was due to Superstorm Sandy and the impact it had on New York and New Jersey. Claim severities for all vehicle types rose sharply in 2016, an increase of 25 percent from 2015. The decline in claim frequency was mostly offset by the increase in claim severities, leading to slight increases in overall losses (**Figure 9**). Overall losses increased dramatically (28 percent) between 2015 and 2016.

Figure 7: Comprehensive claim frequencies by calendar year and vehicle type based on 4 most recent model years

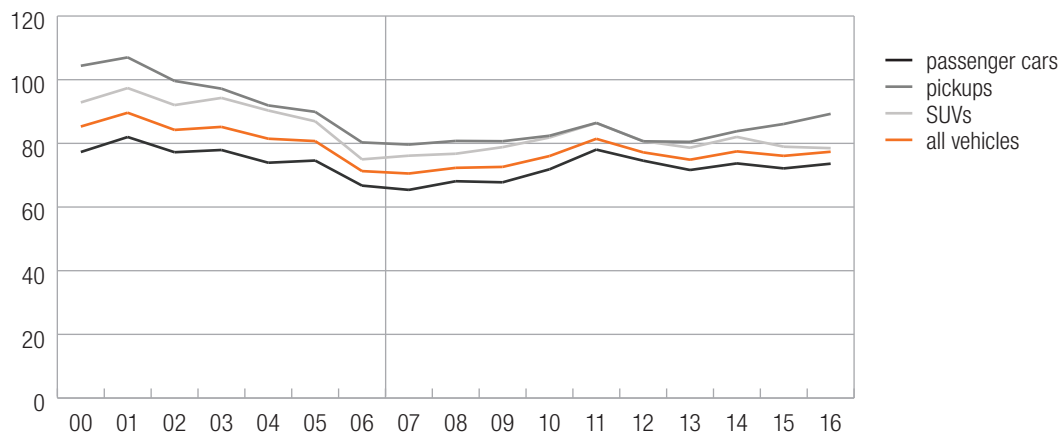


Figure 8: Comprehensive claim severities by calendar year and vehicle type based on 4 most recent model years

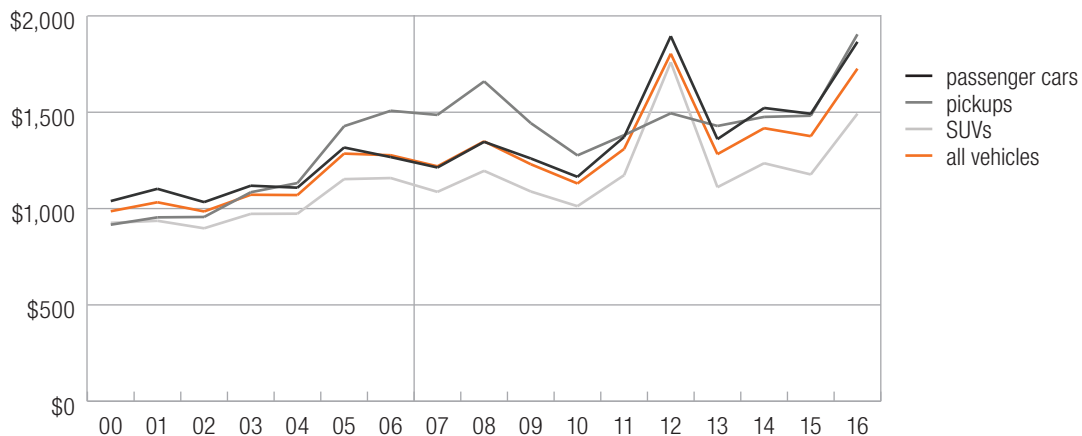
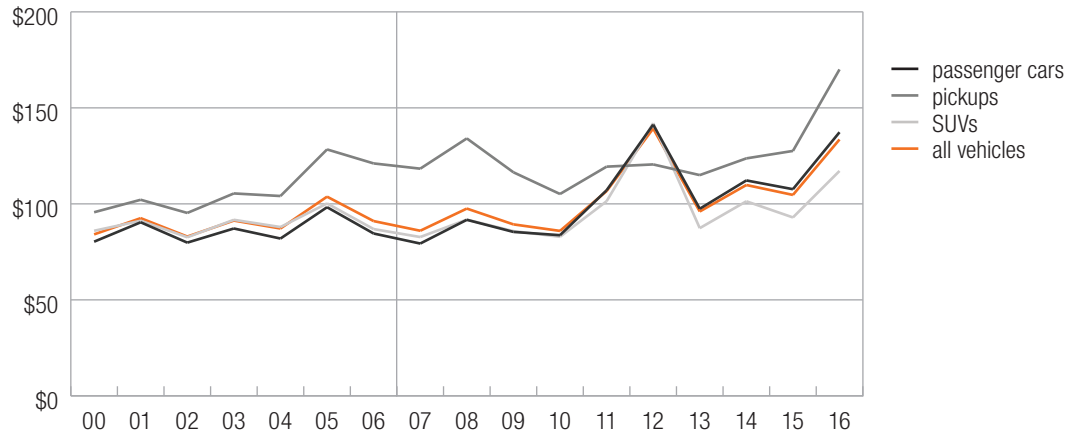


Figure 9: Comprehensive overall losses by calendar year and vehicle type based on 4 most recent model years



► Theft

Theft represents losses resulting from the theft of a whole vehicle, contents, or components.

Theft claim frequency for all vehicles combined exhibited an overall downward trend with slight increases in 2001, 2013 and 2016 (**Figure 10**). Both passenger cars and SUVs followed the same general pattern. Claim frequency for pickups, however, increased between 2000 and 2006, before falling sharply between 2007 and 2012, likely due to the increased installation of antitheft devices. Despite the sharp decline, pickups have maintained the highest theft claim frequency since 2002.

Theft claim severities increased from 2000 to 2006, and then declined from 2006 through 2010 (**Figure 11**). More recently, claim severities have been increasing, except for a slight decline in 2014. The difference in average claim severity has also narrowed over time. In 2006, theft claim severity for pickups was 52 percent higher than passenger cars. In 2016, that gap narrowed to only 7 percent.

Theft overall losses for pickups increased dramatically between 2000 and 2006 before falling sharply (**Figure 12**). On the other hand, overall losses for passenger cars and SUVs declined gradually between 2000 and 2006, before declining more rapidly from 2007 to 2012. Since 2013, overall losses have remained relatively stable and show a slight increase in 2016.

Figure 10: Theft claim frequencies by calendar year and vehicle type based on 4 most recent model years

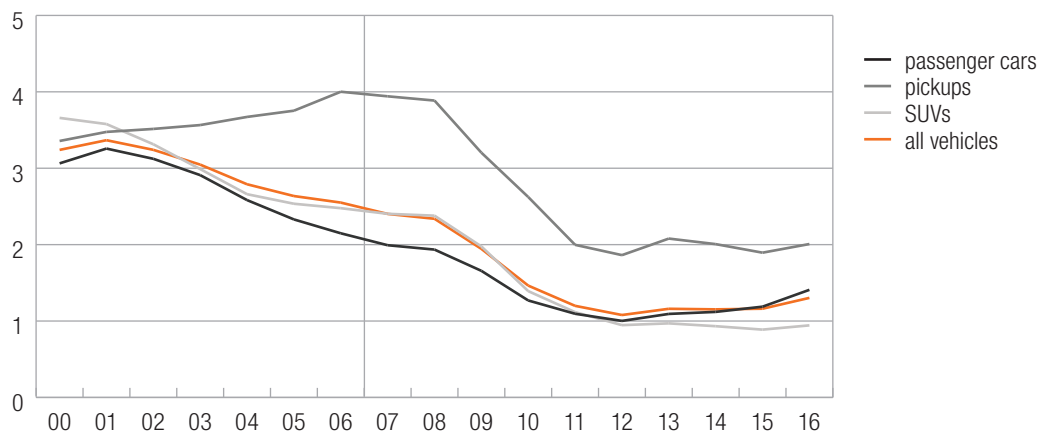
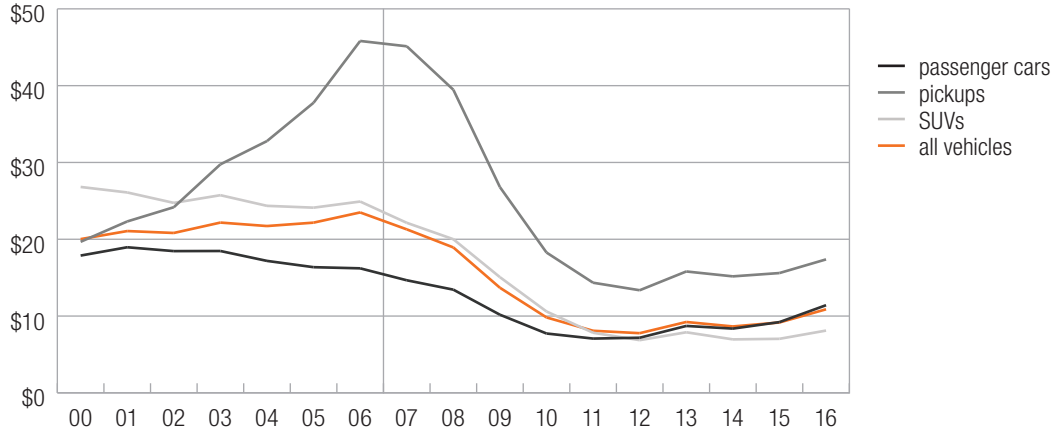


Figure 11: Theft claim severities by calendar year and vehicle type based on 4 most recent model years



Figure 12: Theft overall losses by calendar year and vehicle type based on 4 most recent model years



► Medical payment

Medical payment (MedPay) coverage insures against injuries sustained by occupants of the insured vehicle in crashes for which they are responsible.

Claim payments are associated with the date of a claim, not the date when the payment is made. Therefore, injury claim severities build slowly after a crash, with payments continuing well after the crash date. Thus, MedPay claim severity and overall losses in 2016 may underrepresent the actual values due to the lack of full payment information being available. Prior reports have shown that as these figures are updated, the claim severities for the most current years in prior reports increase in subsequent reports. Dashed lines are shown for 2016 severity and overall losses to represent this phenomenon.

MedPay claim frequency for all vehicle types combined was slightly higher in 2017 compared with 2000, with periods of decline from 2002–06 and 2007–10 (**Figure 13**). Claim frequency increased between 2010 and 2016 before decreasing slightly in 2017. MedPay claim frequencies for passenger cars, SUVs, and pickups generally followed a similar pattern. However, claim frequency for passenger cars had the steepest rate of increase after 2010 and continued to increase through 2016 until decreasing in 2017, similar to the other vehicle types, resulting in a 20 percent higher claim frequency in 2017 compared with 2000. Conversely, claim frequency for pickups declined between 2007 and 2012 and increased only slightly before declining slightly from 2016 to 2017. As a result, MedPay claim frequency for pickups was down by 33 percent in 2017 from the claim frequency in 2000. This led to MedPay claim frequency for passenger cars being 2.5 times that of pickups in 2017, compared with only 1.4 times greater in 2000.

MedPay claim severities for all vehicle types combined increased from 2000 through 2011 (**Figure 14**). Between 2012 and 2016, claim severity decreased slightly, with the notable exception of a slight increase in 2015. Overall, MedPay claim severities for passenger cars, SUVs, and pickups generally followed a similar pattern until this change. Pickups had the lowest claim severities in 2000, and since 2006, have maintained the highest. Since 2001, passenger cars have maintained the lowest claim severities.

MedPay overall losses for all vehicle types combined have been increasing since 2010, following a period of slight decline from 2007 to 2010 (**Figure 15**). However, in 2016, this rate of increase had decreased across all vehicle classes. Overall losses for passenger cars and SUVs have followed a similar general trend since 2007, resulting in 21 percent higher overall losses for passenger cars and 13 percent higher overall losses for SUVs in 2016, compared with 2007. Overall losses for pickups, however, were down 8 percent in 2016 compared with 2007.

Figure 13: Medical payment claim frequencies by calendar year and vehicle type based on 4 most recent model years

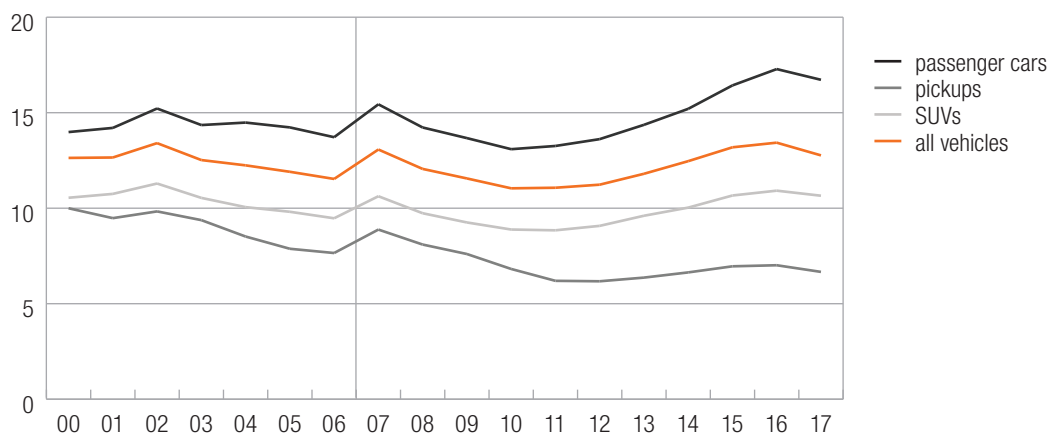


Figure 14: Medical payment claim severities by calendar year and vehicle type based on 4 most recent model years

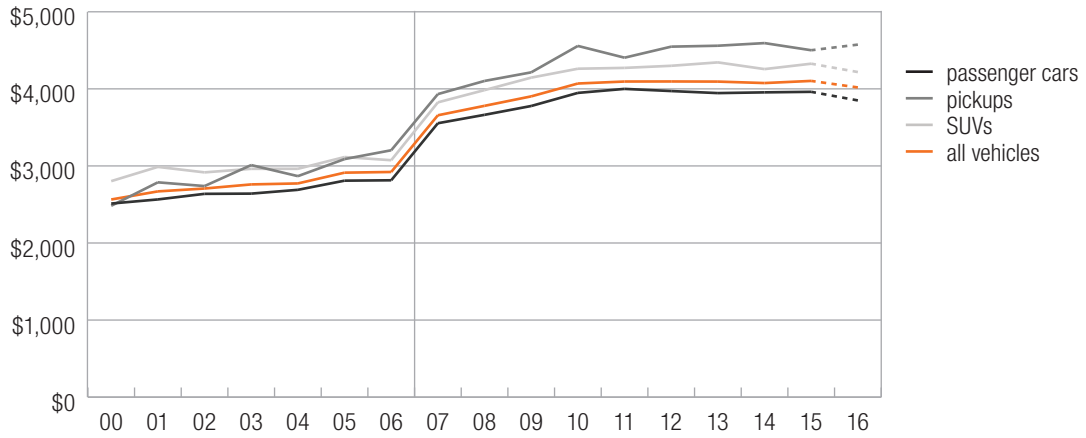
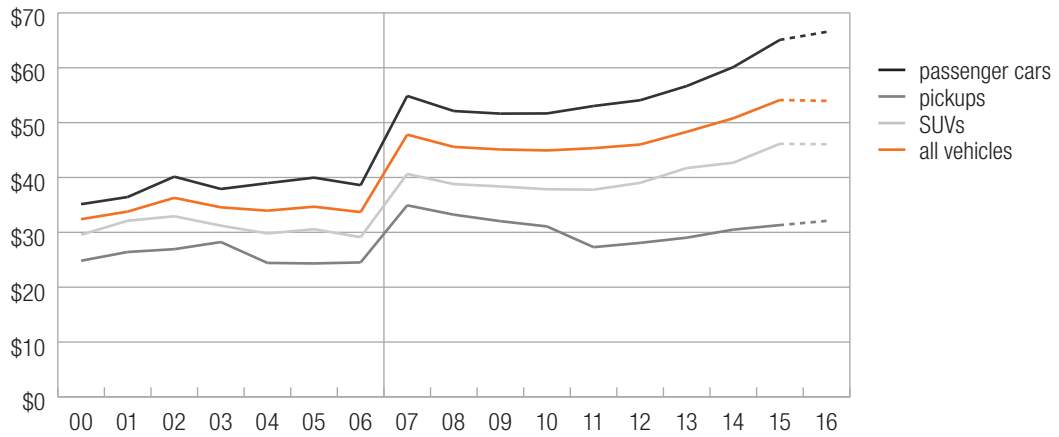


Figure 15: Medical payment overall losses by calendar year and vehicle type based on 4 most recent model years



► Personal injury protection

Personal injury protection (PIP) represents losses resulting from injuries sustained in crashes to insured drivers and other people in their vehicles, regardless of who is at fault in the collision.

Most states have dollar limits on the size of PIP claims. These limits range from \$2,500 in Maryland and Texas to an unlimited amount in Michigan, but most states have limits of \$10,000 or more. Because PIP results are computed across states with varying limits, some bias may exist for vehicles or vehicle types with greater exposure in high-limit states. This bias primarily is a problem for claim severity and overall losses rather than for claim frequency.

Claim payments are associated with the date of a claim, not the date when the payment is made. Therefore, injury claim severities build slowly after a crash, with payments continuing well after the crash date. Thus, PIP claim severity and overall losses in 2016 may underrepresent the actual values due to the lag in payment information. Prior reports have shown that as these figures are updated, the claim severities for the most current years in prior reports increase in subsequent reports. Dashed lines are shown for 2016 severity and overall losses to represent this phenomenon.

PIP claim frequency for all vehicles combined exhibited a downward trend between 2000 and 2012 and then rose from 2012 to 2016 (**Figure 16**). In 2017, there was a decrease in claim frequency across all vehicle classes. Claim frequency for passenger cars, pickups, and SUVs followed similar patterns. Passenger cars maintained the highest claim frequency from 2000 to 2017, and pickups maintained the lowest during the same span of time. Passenger cars had a claim frequency 2.3 times higher than that of pickups in 2017, compared with only 1.5 times greater in 2000.

PIP claim severities for all vehicle types increased between 2004 and 2010 and have remained relatively stable since then, despite some minor fluctuation and a small decrease in 2011 (**Figure 17**). Most notably, claim severities for pickups had larger fluctuations compared with other vehicle classes; over this time period, pickups had the highest claim severities in 2011, the lowest claim severities by 2012 and the highest claim severities again in 2014 and 2015. With current data, claim severities for all vehicle classes appeared to be decreasing in 2016, with claim severities for pickups decreasing more dramatically than for the other vehicle types. The relative stability of claim severities was offset by the increase in PIP claim frequencies, resulting in increasing overall losses for all vehicle types from 2012–15 (**Figure 18**). In 2016, there was a decrease in overall losses for pickups, while losses for SUVs appeared to stabilize and losses for passenger cars increased.

Figure 16: Personal injury protection claim frequencies by calendar year and vehicle type based on 4 most recent model years

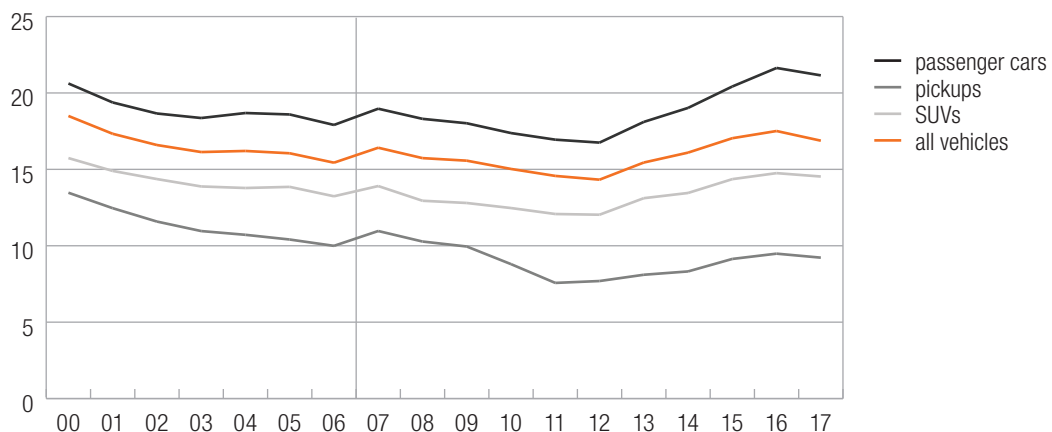


Figure 17: Personal injury protection claim severities by calendar year and vehicle type based on 4 most recent model years

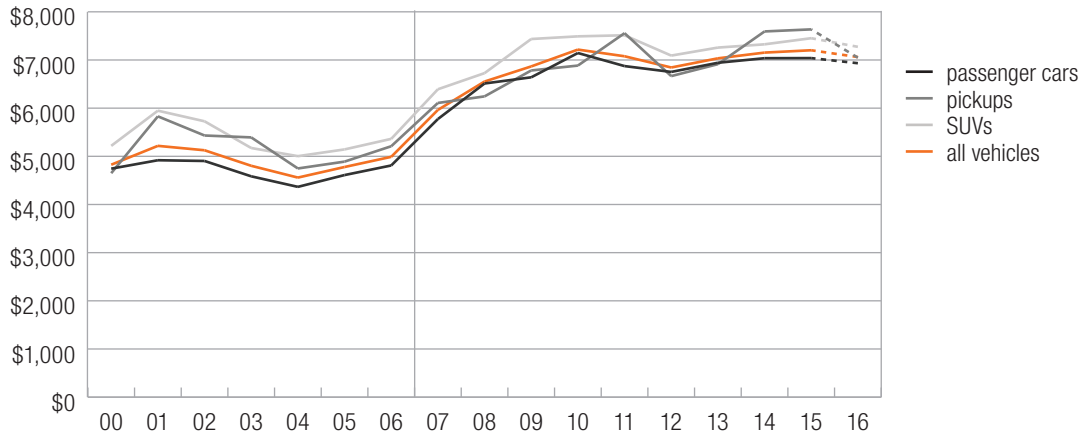
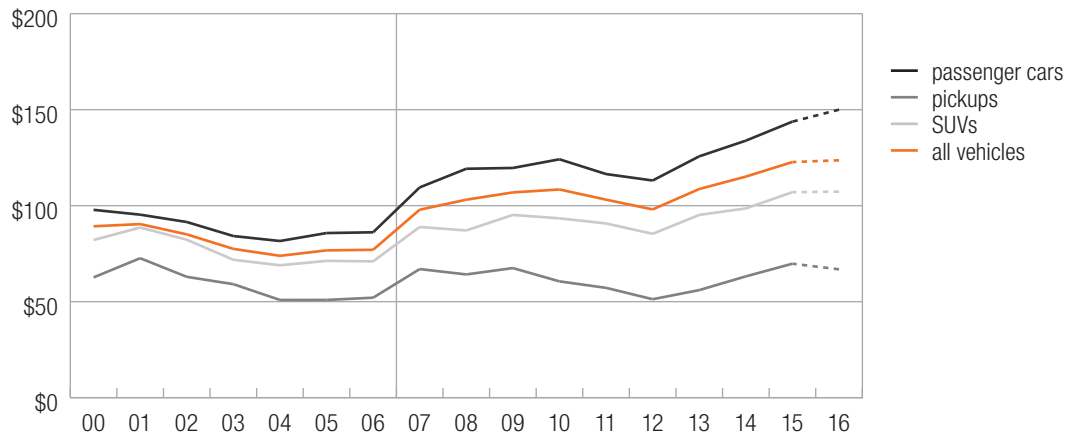


Figure 18: Personal injury protection overall losses by calendar year and vehicle type based on 4 most recent model years



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The Highway Loss Data Institute is a nonprofit public service organization that gathers, processes, and publishes insurance data on the human and economic losses associated with owning and operating motor vehicles.

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