

Auto Physical Damage

Collision Claims Increased by More Than 30% While Average Severity Plateaued for Battery Electric Vehicles Last Year

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SAN DIEGO, Calif.—Mitchell, an Enlyte company and leading technology and information provider for the Property & Casualty (P&C) claims and Collision Repair industries, today announced the latest release of its Plugged-In: EV Collision Insights report. This edition features an overview of the most notable annual trends in battery electric vehicle (BEV), mild hybrid electric vehicle (MHEV) and plug-in hybrid electric vehicle (PHEV) collision claims.

Following a second year of record sales for new cars with electrified powertrains, claims frequency for repairable BEVs rose to 2.71% in the U.S. and 3.84% in Canada in 2024, a year-over-year increase of 38% and 34% respectively. MHEV and PHEV claims frequency also grew by approximately 7% in the U.S. and 24% in Canada over the same period.

"In addition to an uptick in the number of claims for repairable, collision-damaged BEVs, we also saw an uptick in the number of total losses last year," said Ryan Mandell, Mitchell's director of claims performance. "While not unique to BEVs, this increase in total loss frequency can be attributed to the continued overall decline in vehicle values and surge in catastrophic claims activity in the second half of 2024."

Among the report's other highlights:

- Claims Severity: Average claims severity for repairable BEVs was relatively flat at \$6,236 in the U.S., a year-over-year decrease of 3%, and \$7,241 in Canada, a year-over-year increase of 2%. For mild and plugin hybrids, severity averages ranged from \$4,726 to \$5,583 in the U.S. and \$6,104 to \$6,261 in Canada. While automobiles powered by an internal combustion engine (ICE) had the lowest average severity among all propulsion types, newer model ICE vehicles were closely aligned with BEVs and PHEVs when it came to severity costs.
- Calibration Differences: Electrification in a vehicle's architecture increases the degree of system interconnectivity and, following a collision, can lead to the disruption of sensitive components that require

recalibration after repair. BEVs had the highest per-estimate average for calibrations in 2024, at 1.61, followed by 1.58 for PHEVs, 1.46 for MHEVs and 1.45 for ICE alternatives.

• Parts Utilization: Without a robust aftermarket parts industry for BEVs, OEM parts are more frequently used in the repair of electric automobiles. Last year, 88% of the parts dollars on estimates for repairable BEVs were for OEM parts compared to 69% for ICE automobiles. BEVs also have a lower percentage of parts repaired, 11% versus 13% for ICE options.

To access the full report, <u>visit the Mitchell website</u>. You can also download previous issues or subscribe to future reports by completing the form on this web page: www.mitchell.com/plugged-in.

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