Auto Physical Damage

Mitchell Report Highlights Increase in Electric Vehicle Collision Claims

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3 MIN READ

Both the US and Canada see Q1 2023 rise in repairable claims frequency

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 reported that electric vehicle (EV) repairable claims frequency increased in Q1 2023 to 1.13% in the US and 2.41% in Canada. The data was featured in the company's latest Plugged-In: EV Collision Insights publication, which provides up-to-date EV claims and market information to the auto insurance and repair industries.

"EV sales broke records in 2022 and the combination of high gas prices, government incentives and increased vehicle production helped drive consumer demand," said Ryan Mandell, director of claims performance at Mitchell. "With more EVs on the road, there will naturally be more EV collision claims. That puts a strain on auto insurers, who must balance policyholder expectations with higher than average vehicle repair costs and cycle time. It also puts a strain on collision repairers tasked with properly and safely restoring these automobiles to OEM standards."

According to the International Energy Agency (IEA), global EV sales are expected to grow another 35% this year and reach 14 million by the end of 2023. If the latest IEA projections are met, the share of EVs in the overall car market will have risen from approximately 4% in 2020 to 14% in 2022 and 18% in 2023. Additionally, Cox Automotive reports that the U.S. recorded a record-breaking first quarter with EV sales surpassing 250,000 and 7.2% of total new vehicle sales—setting the expectation that EV sales growth will surpass that of the industry for the foreseeable future.

To highlight the impact of electrification on automotive claims, Mitchell compared data from Q4 2022 to Q1 2023, showing that EV:

- Average repairable severity has decreased to $4,749 in the US and $6,406 in Canada but remains higher than for internal combustion engine (ICE) vehicles
- OEM parts usage and the percentage of parts repaired increased to 90.76% and 12.68% respectively
- Refinish time is nearly an hour more than for ICE automobiles, adding to claim costs
- Models new to the market are now entering U.S. collision repair facilities for the first time

The report also includes data on EV claims frequency by geographic region as well as vehicle make and model. To download the current issue, visit www.mitchell.com/plugged-in. You can also subscribe to future issues by completing the web form.

About Mitchell International

Headquartered in San Diego, Calif., Mitchell International, Inc. delivers smart technology solutions and services to the auto insurance, collision repair, disability and workers' compensation markets. Through deep industry expertise, connections throughout the insurance ecosystem and advanced technology such as artificial intelligence and cloud-based solutions, Mitchell enables its customers and clients to succeed in today's ever-changing environment. Each month, Mitchell processes tens of millions of transactions for more than 300 insurance providers, 20,000 collision repair facilities and 70,000 pharmacies. Its comprehensive solution and service portfolio empowers clients to restore lives after a challenging event.

Mitchell, Genex and Coventry have recently aligned their joint industry expertise and advanced technology solutions to form Enlyte, a parent brand with nearly 6,000 associates committed to simplifying and optimizing property, casualty and disability claims processes and services.

You can follow Mitchell on Twitter @MitchellRepair and @MitchellClaims for collision repair as well as property and casualty updates and perspectives.

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