Auto Physical Damage

Latest Mitchell Report Details Collision Claim and Repair Differences Between Electric and Internal Combustion Engine Vehicles

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3 MIN READ

Higher average severity for electric automobiles is offset by lower non-drivable frequency post-accident

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 availability of its Q2 2023 report: Plugged-In: EV Collision Insights. The report highlights a continued increase in electric vehicle (EV) repairable claims frequency, which rose to 1.49% in the U.S. and 2.64% in Canada last quarter. It also documents the differences in claims severity, post-accident drivability and collision repair when comparing EVs to automobiles powered by an internal combustion engine (ICE).

“Not surprisingly, claims severity for repairable EVs is outpacing that of ICE alternatives,” said Ryan Mandell, director of claims performance at Mitchell. “However, the most recent data shows that EVs are less likely than ICE vehicles to be non-drivable following an accident. Despite greater interconnectivity between components, they have fewer moving parts. So, unless an EV gets hit from behind, it has a higher likelihood of drivability. Differences like these will have a dramatic effect on the auto insurance and collision repair markets, given the recent growth in EV adoption.”

According to Cox Automotive, U.S. EV sales broke another record in Q2 with nearly 300,000 battery-electric vehicles sold, an increase of 48.4% over Q2 2022. While adoption may be slowing in Canada, the International Energy Agency predicts global EV sales of 14 million in 2023 with new purchases accelerating in the second half of the year.

In addition to tracking general EV collision claim trends such as frequency and geographic distribution, this quarter’s report includes up-to-date statistics on how EVs differ from ICE automobiles when it comes to:

- **Claims Severity** – Average severity for all EVs was $963 higher in the U.S. and $1,328 higher in Canada than ICE alternatives. Those cost differentials jumped to $1,589 and $1,600 respectively when looking at Tesla models only.

- **OEM Parts Utilization and Percentage of Parts Repaired** – Most EV parts are provided directly from the manufacturer, with 90.75% of repairable EVs using OEM parts as compared to 66.50% for ICE automobiles, a difference of 24.25%. Additionally, EV repairs include a lower percentage of parts repaired versus replaced: 13.49% versus 19.20% for ICE-powered options.
- **Average Refinish Hours** – Labor hours for paint refinishing can be 40% of the total labor time for an average repair order—making them a key driver of collision claim expenses. In Q2, refinish hours for EVs averaged 8.51 compared to 8.02 for ICE automobiles.

To download the latest Plugged-In: EV Collision Insights report, visit the Mitchell website. You can also subscribe to future issues or access previous reports online at www.mitchell.com/plugged-in.

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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