Auto Physical Damage

Strong Sales of New Battery Electric Vehicles Face Tariff Threat

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3 MIN READ

SAN DIEGO, Calif.—Mitchell, a leader in the development of innovative auto physical damage technology solutions, today released its Plugged-In: EV Collision Insights report for Q1 2025. This edition of the quarterly publication examines how new U.S. tariffs are threatening consumer adoption and sales of battery electric vehicles (BEVs). It also explains why these automobiles are at a disadvantage compared to their internal combustion engine (ICE) counterparts when it comes to import taxes.

“Rapid shifts in trade policy are reshaping the automotive landscape, with tariffs affecting not only the cost of components but also the dynamics of assembly, supply chain transparency and even pricing strategies,” said Ryan Mandell, Mitchell’s director of claims performance. “While these challenges impact all automakers doing business in the U.S., they are more pronounced for manufacturers of BEVs. Insurers will need to collaborate closely with suppliers and collision repair partners to navigate tariff complexities and prepare for future uncertainty.”

Prior to enforcement of the automotive tariffs, BEV sales were strong in Q1—representing 9% of new vehicle sales in the U.S. and 10% in Canada. With more of these electric alternatives on the road following a second year of record sales, the frequency of collision claims for repairable BEVs increased again last quarter to 3.12% in the U.S. and 4.48% in Canada.

Among the report’s other findings:

- **Claims Severity:** BEVs continue to have the highest severity when compared to plug-in hybrids, mild hybrids and ICE alternatives. Last quarter, average severity for repairable BEVs was $5,927 in the U.S. and $7,026 in Canada, a decrease of 10% and 7% respectively compared to Q4 2024.

- **Total Loss Frequency:** Nearly 11% of all collision-damaged BEVs were declared a total loss, down 1% from the previous quarter. That is identical to the total loss frequency for new ICE automobiles, which are like BEVs in their complexity and cost to repair, and 12% lower than for all ICE automobiles combined.

- **Parts Utilization:** OEM parts are more frequently used in the repair of BEVs. In Q1 2025, 88% of the parts dollars on estimates for repairable BEVs were for OEM parts compared to 64% for ICE automobiles.

- **Regional Differences:** The North American markets with the highest number of collision claims for repairable BEVs are also those with the highest penetration of BEVs per capita. Both British Columbia and Quebec outpaced all other regions with BEVs representing approximately 8% of all repairable vehicle claims.

Visit the Mitchell website to access the complete Q1 2025 report. You can also download previous issues or subscribe to future reports by completing the form on this web page: mitchell.com/plugged-in.

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About Mitchell, an Enlyte Company

Mitchell International, Inc. is a leader in the development of innovative auto physical damage technology solutions. Combining decades of experience with an open platform, proprietary data and intelligent, cloud-first applications, we help insurance carriers, collision repairers and vehicle manufacturers protect dreams and restore lives. Each day, more than 20,000 organizations turn to Mitchell for support efficiently managing claims and safely returning consumers to the road.



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