Auto Physical Damage

Mitchell Collision Repair Industry Data: Q2 2018

September 10, 2018
5 MIN READ

Appraisal Values

The initial average appraisal value, calculated by combining data from all first and third-party repairable vehicle appraisals uploaded through Mitchell systems in Q2 2018, was $3,109, $31 more than this same period last year. The continued development suggests a final Q2 2018 average appraisal value of $3,140.

title

Comprehensive Losses

In Q2 2018, the average initial gross appraisal value for comprehensive coverage estimates processed through our servers was $3,267, compared to $3,329 in Q2 2017. Factoring for development produces an increase in the adjusted value to $3,292.

average appraisal values, and age comprehensive losses

Third-Party Property Damage

In Q2 2018, our initial average gross third-party property damage appraisal was $2,960 compared to $2,888 in Q2 2017, reflecting a $72 initial increase between these respective periods. Factoring for development yields an anticipated Q2 2018 adjusted appraisal value of $2,981, a $93 increase in average severity over Q2 2017.

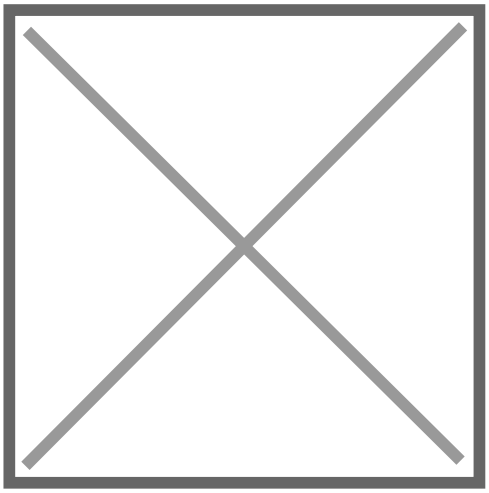
average appraisal values, acvs and age auto physical damage

Collision Losses

Mitchell's Q2 2018 data reflects an initial average gross collision appraisal value of $3,352, $57 more than the same period last year. Continued development suggests a final Q2 2018 average gross collision appraisal value of $3,395.

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Supplements

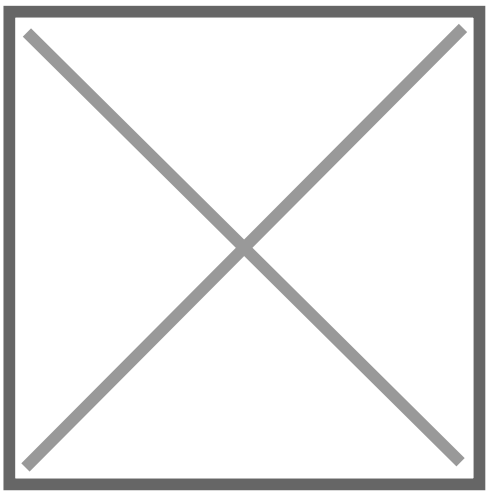


As it generally takes at least three months following the original date of appraisal to accumulate most supplements against an original estimate of repair, we report (and recommend viewing supplement information) three months' after-the-fact to obtain the most accurate view of this data.

In Q2 2018, 38.99% of all original estimates prepared by Mitchell-equipped estimators were supplemented one or more times. In this same period, the pure supplement frequency (supplements to estimates) was 62.34%, reflecting a 3.75 point increase from that same period in 2017. The average combined supplement variance for this quarter was $948.30, $36.10 higher than in Q2 2017.

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Parts Analysis



While there isn't a perfect correlation between the types of parts specified by estimators and those actually used during the course of repairs, we feel that the following observations are directionally accurate for both the insurance and auto body repair industries. This section illustrates the percentage of dollars allocated to each unique part-type.

As a general observation, recent data show that parts make up 46% of the average value per repairable vehicle appraisal, which represents over $1,400 in average spend per estimate.

Parts Type Definitions

Original Equipment Manufacturer (OEM) Parts produced directly by the vehicle manufacturer or their authorized supplier, and delivered through the manufacturer's designated and approved supply channels. This category covers all automotive parts, including sheet metal and mechanical parts. **Aftermarket** Parts produced and/or supplied by firms other than the Original Equipment Manufacturer's designated supply channel. This may also include those parts originally manufactured by endorsed OEM suppliers, which have later followed alternative distribution and sales processes. While this part category is often only associated with crash replacement parts, the automotive aftermarket also includes a large variety of mechanical and custom parts. **Non-New/Remanufactured** Parts removed from an existing vehicle that are cleaned, inspected, repaired and/or rebuilt, usually back to the original equipment manufacturer's specifications, and re-marketed through either the OEM or alternative supply chains. While commonly associated with mechanical hard parts such as alternators, starters and engines, remanufactured parts may also include select crash parts such as urethane and TPO bumpers, radiators and wheels. **Recycled** Parts removed from a salvaged vehicle and re-marketed through private or consolidated auto parts recyclers. This category commonly includes all types of parts and assemblies, especially body, interior and mechanical parts.

Original Equipment Manufacturer (OEM) Parts Use in Dollars:

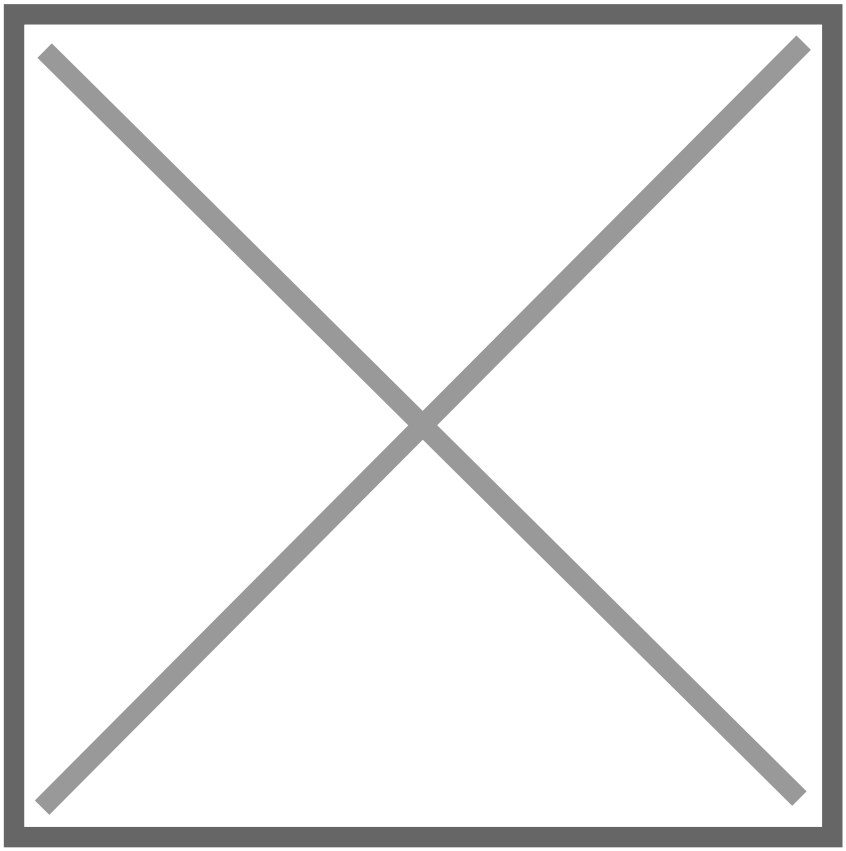
In Q2 2018, OEM parts represented 63.6% of all parts dollars specified by Mitchell-equipped estimators. This represents a decrease of 1.06 points from Q2 2017.

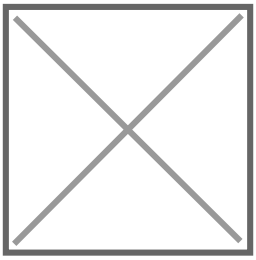
Aftermarket Parts Use in Dollars:

In Q2 2018, 22.45% of all parts dollars recorded on Mitchell appraisals were attributed to Aftermarket sources, up 1.44 points from Q2 2017.

Remanufactured Parts Use in Dollars

As a percentage of total parts dollars, remanufactured parts dollars continued to decline, with Q2 2018 representing the lowest of all charted values at 3.48%.





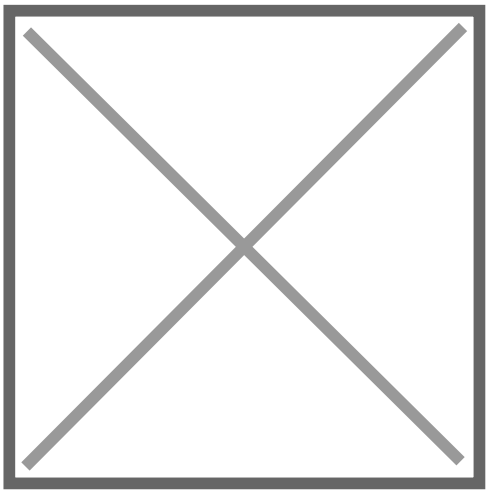
Mitchell Alternate Parts Program (MAPP) offers automated access to nearly 100

Remanufactured and Aftermarket part types from over 700 suppliers ensuring shops get the parts they need from their preferred vendors. MAPP is fully integrated with UltraMate / UltraMate Premier Suite for total ease-of-use. **For more information on MAPP, visit Mitchell's website at www.mitchell.com**

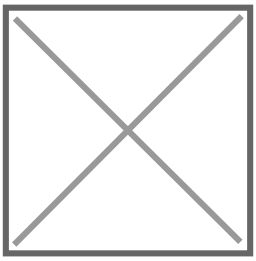
Recycled Parts Use in Dollars

Recycled parts constituted 10.46% of the average parts dollars used per appraisal during Q2 2018, reflecting a 0.1% decrease from Q2 2017.

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It is commonly understood within the collision repair and insurance industries that a very large number of RECYCLED “parts” are actually “parts-assemblies” (such as doors, which in fact include numerous attached parts and pieces). Thus, attempting to make discrete comparisons between the average number of RECYCLED and any other parts types used per estimate may be difficult and inaccurate.



Mitchell’s Quality Recycled Parts (QRP) program is the most comprehensive source for finding recycled parts, providing online access to a parts database compiled from a growing network of more than 800 of the highest quality recyclers in North America and Canada. QRP is fully integrated with UltraMate / UltraMate Premier Suite for total ease-of-use. **For more information on QRP, visit Mitchell’s website at www.mitchell.com**

The Number of Parts by Part Type

In order to capture another aspect of parts use, we calculate the number of parts used by part type on a repairable estimate. In comparing Q2 2018 to the same quarter in 2017, both Aftermarket and New OEM parts usage increased to an average 2.71 and 8.56 parts per estimate, respectively. At the same time, Recycled and Remanufactured parts counts remained mostly flat.

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Adjustments

In Q2 2018, the percentage of adjustments made to estimates was down compared to the same period last year. The frequency of betterment taken increased slightly, while the average dollar amount of the betterment taken dropped by 5% to $128.79. Appearance allowance frequency dropped, while the dollar amount of that appearance allowance increased by 8% to $236.35.

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Labor Analysis

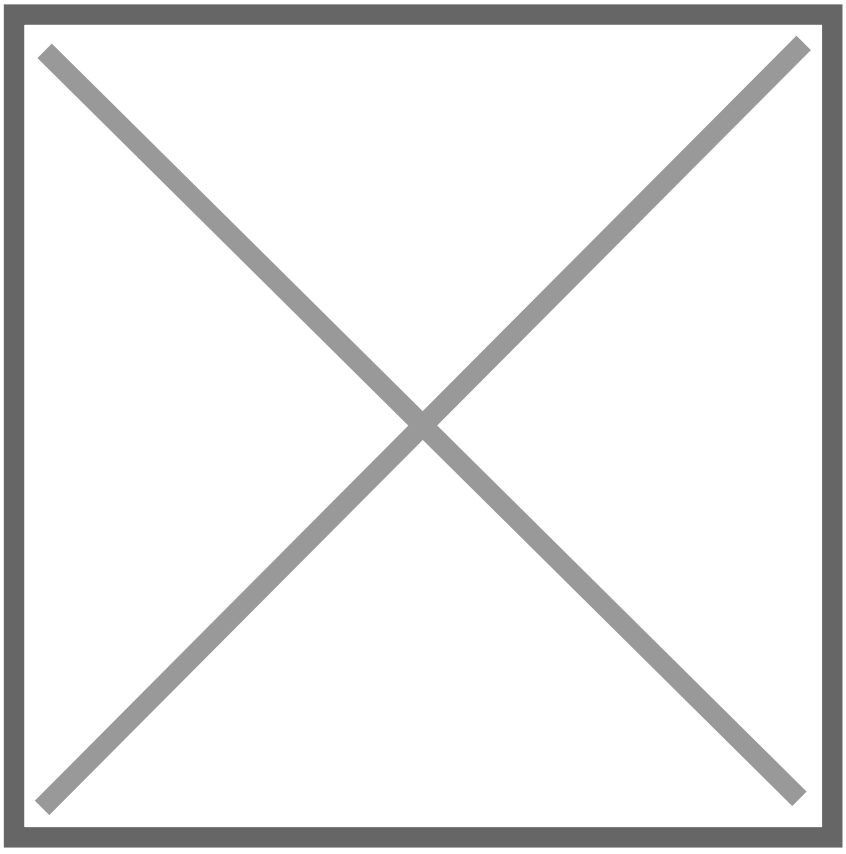
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Total Loss

The chart below illustrates the total loss data for both vehicle age and actual cash value of total loss vehicles processed through Mitchell servers.

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