



# Special Presentations Committee

Chair: Tony Passwater, AEII

Vice Chair: Tony Molla, ASE



# NACE 2005

Special Presentations Committee

11/1/2005



# Special Presentations Committee

Provides:

- Timely and Thought Provoking Information
- Identify Issues and Concerns
- Possible Committee Task for Solutions
  - Planning Committee





# Special Presentation Committee

- Tony Passwater
- Tony Molla
- Jeanne Silver
- Dan Risley
- Tom Moreland
- Bob Smith
- Farzam Afshar
- Janet Chaney





# Special Presentations - 2005

April 2005

- Blood Borne Pathogens

July 2005

- If We Build It ... Will They Come

September 2005

- The Cost of Quality





# The Total Loss Crisis – NACE 2005

## ■ Moderator

- ◆ Tony Passwater - AEII

## ■ Panelist

- ◆ George Avery - State Farm
- ◆ Keith McCrone - Mitchell
- ◆ Susanna Gotsch - CCC
- ◆ Brian Grainger - ADP
- ◆ Eric Burr - Mitchell



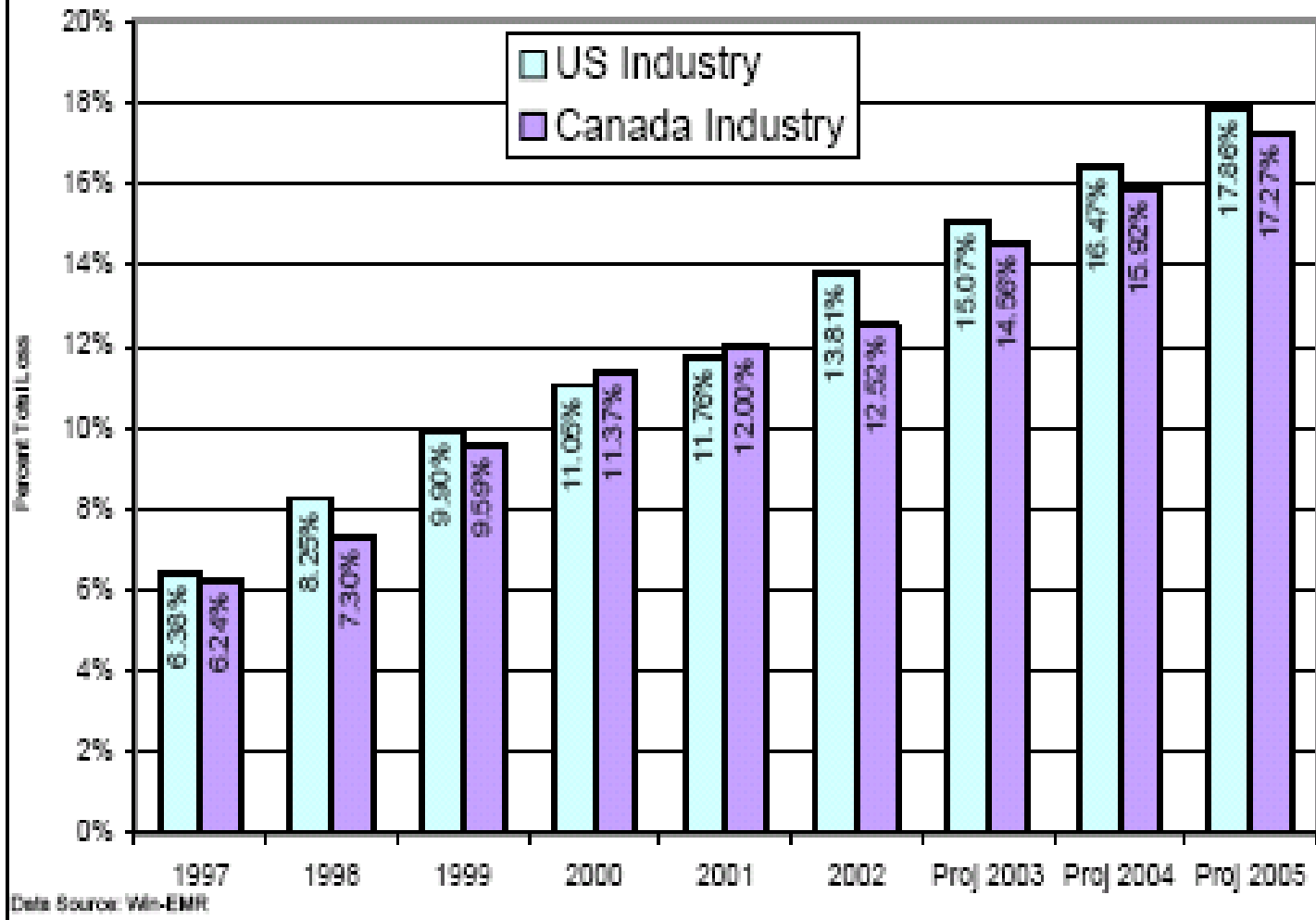
# The Total Loss Trends

## Over the Last 7 Years Total Losses ...

- Count Increases about 1% per year
- Current Total Percentage about 20%
- Current Number: 5,000,000 Annually
- Numbers have Increased 5% per year
- Average Recovery Gross: 18%
- Average Recovery Net: 14%



## Total Loss Percentages – US and Canada



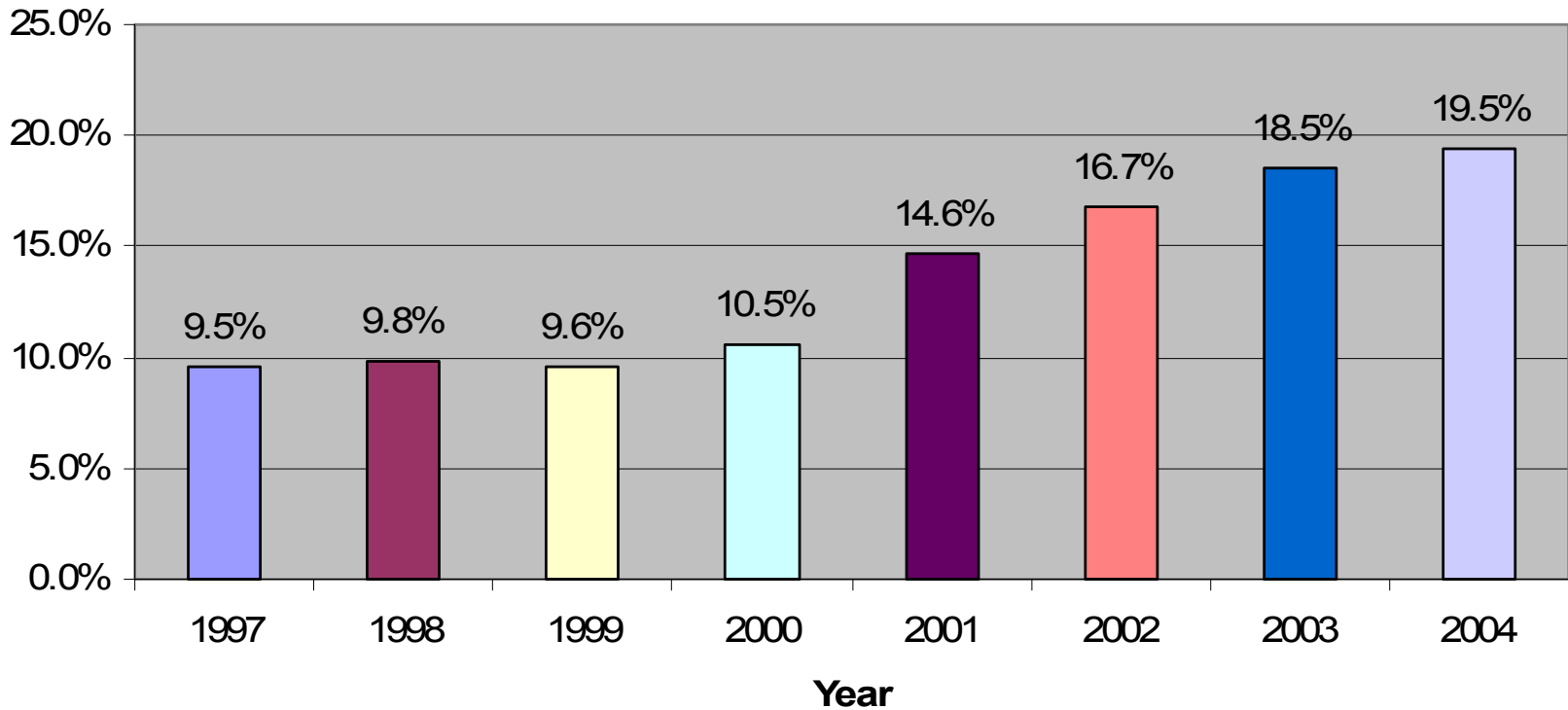
Courtesy ADP – Total Loss Trends August 2003



# Estimates Written by Staff Appraisers



## Total Loss Percentages – USA

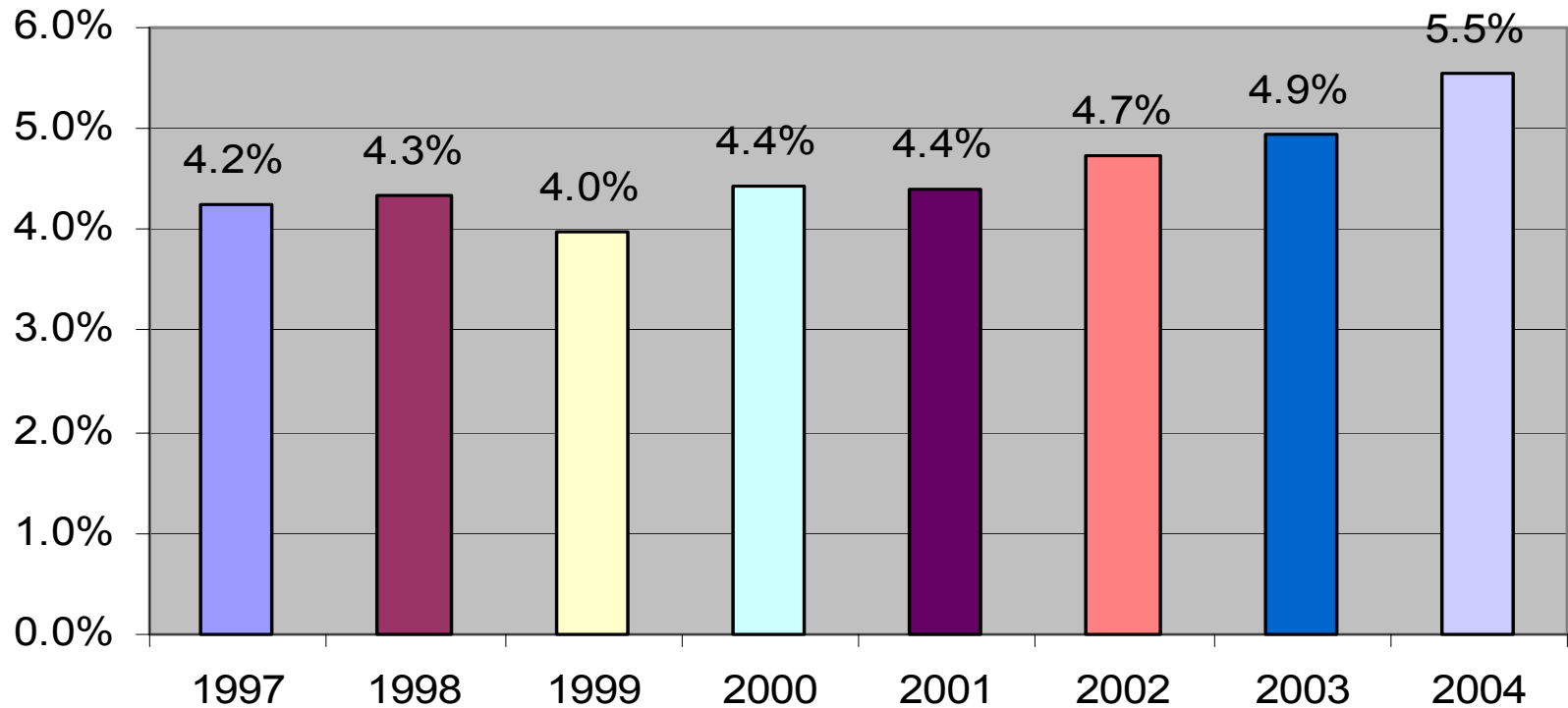


Courtesy of CCC Information Services

# Estimates Written by Repair Facility

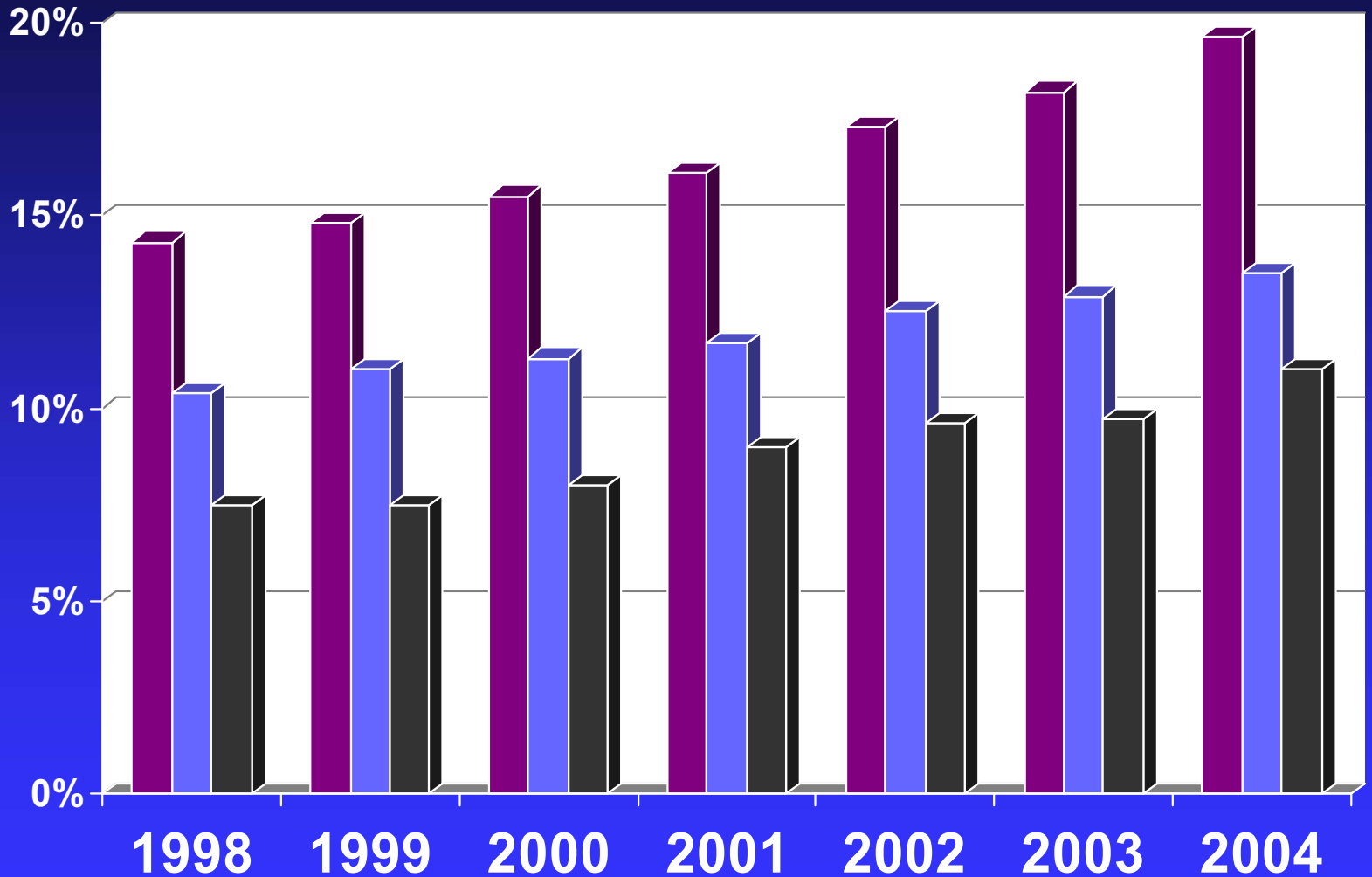


## Total Loss Percentages – USA



Courtesy of CCC Information Services

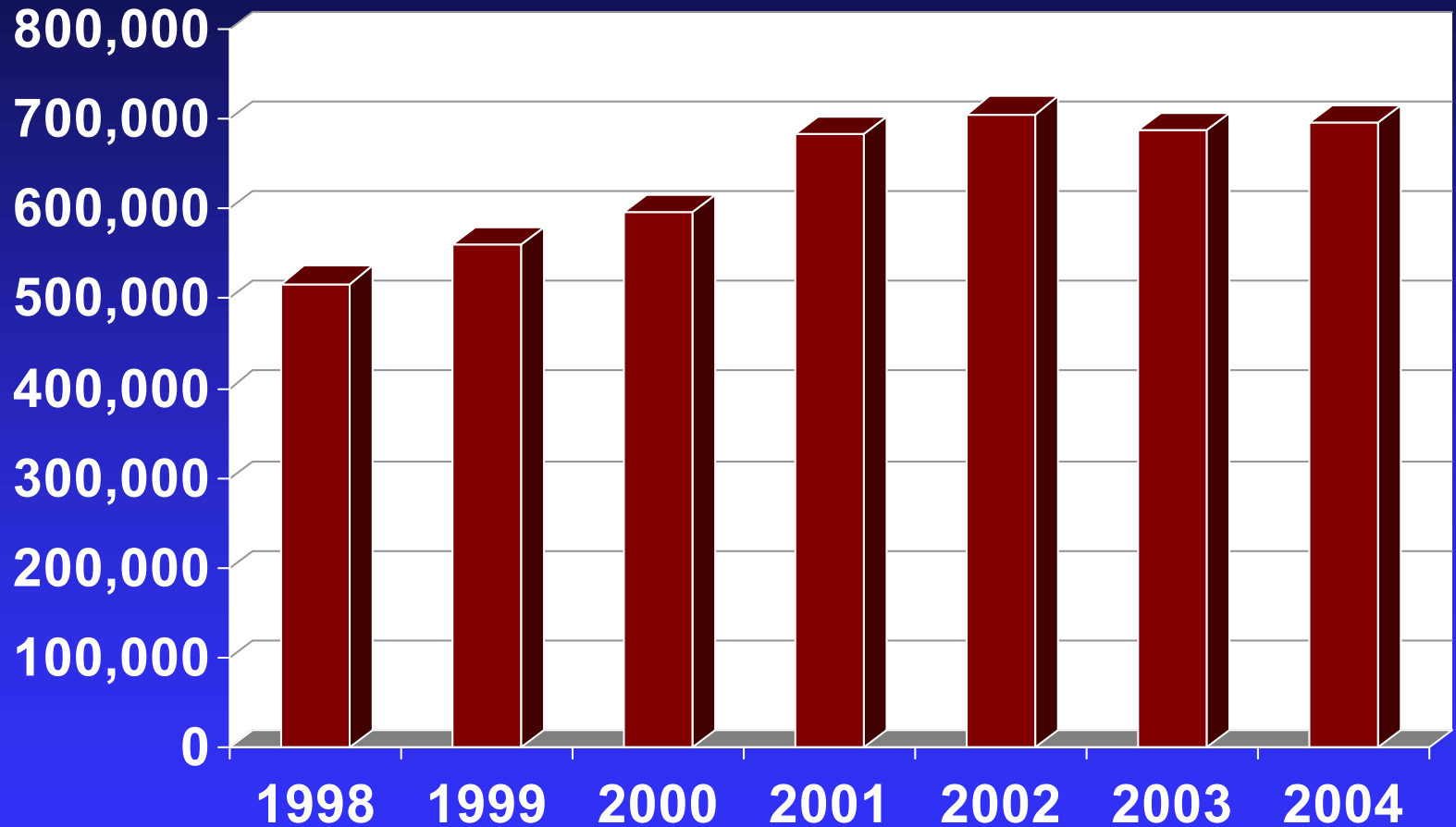
# Collision – PD – Comprehensive Percentages Total Losses



Courtesy of State Farm



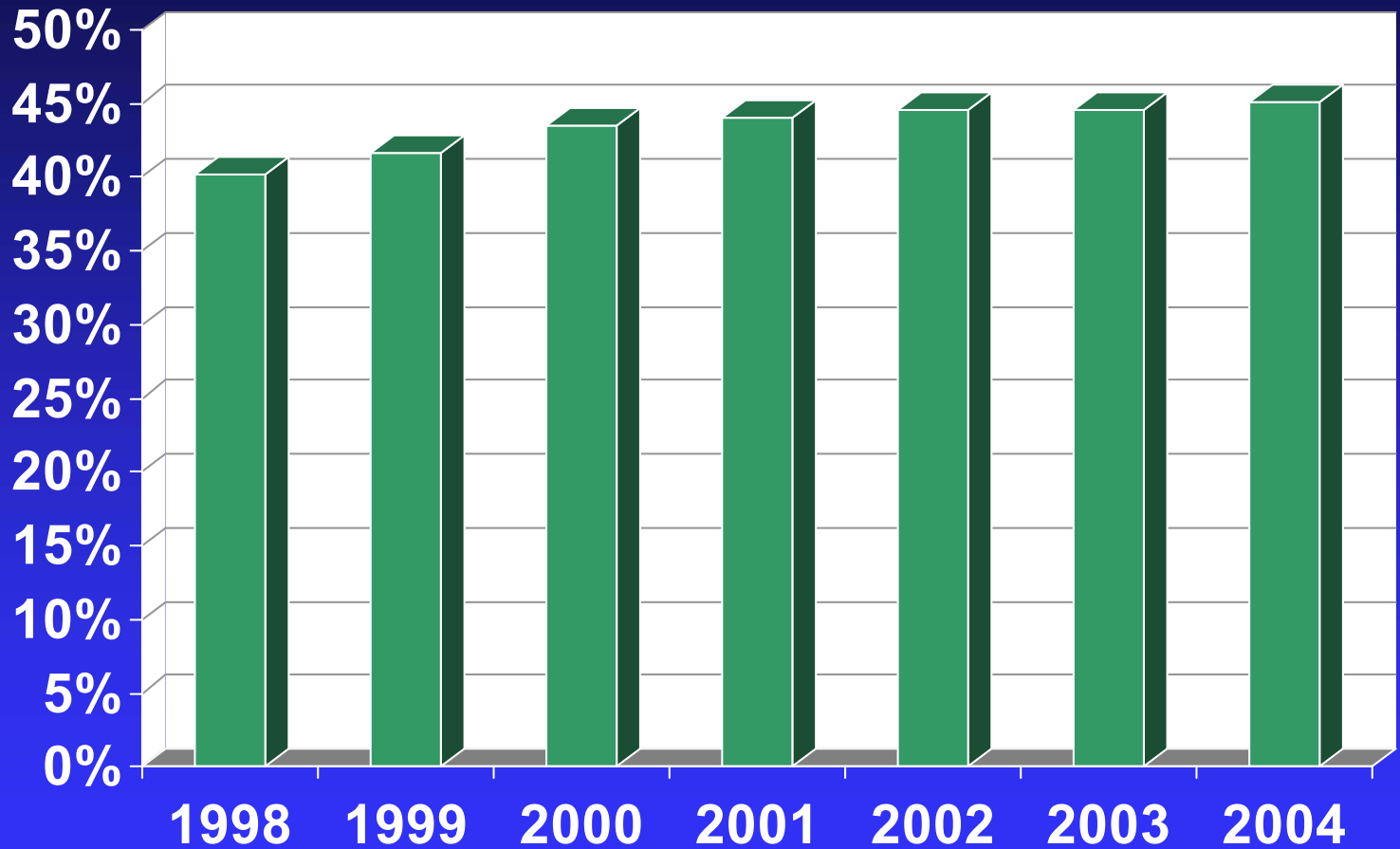
# Number of Total Losses



Courtesy of State Farm



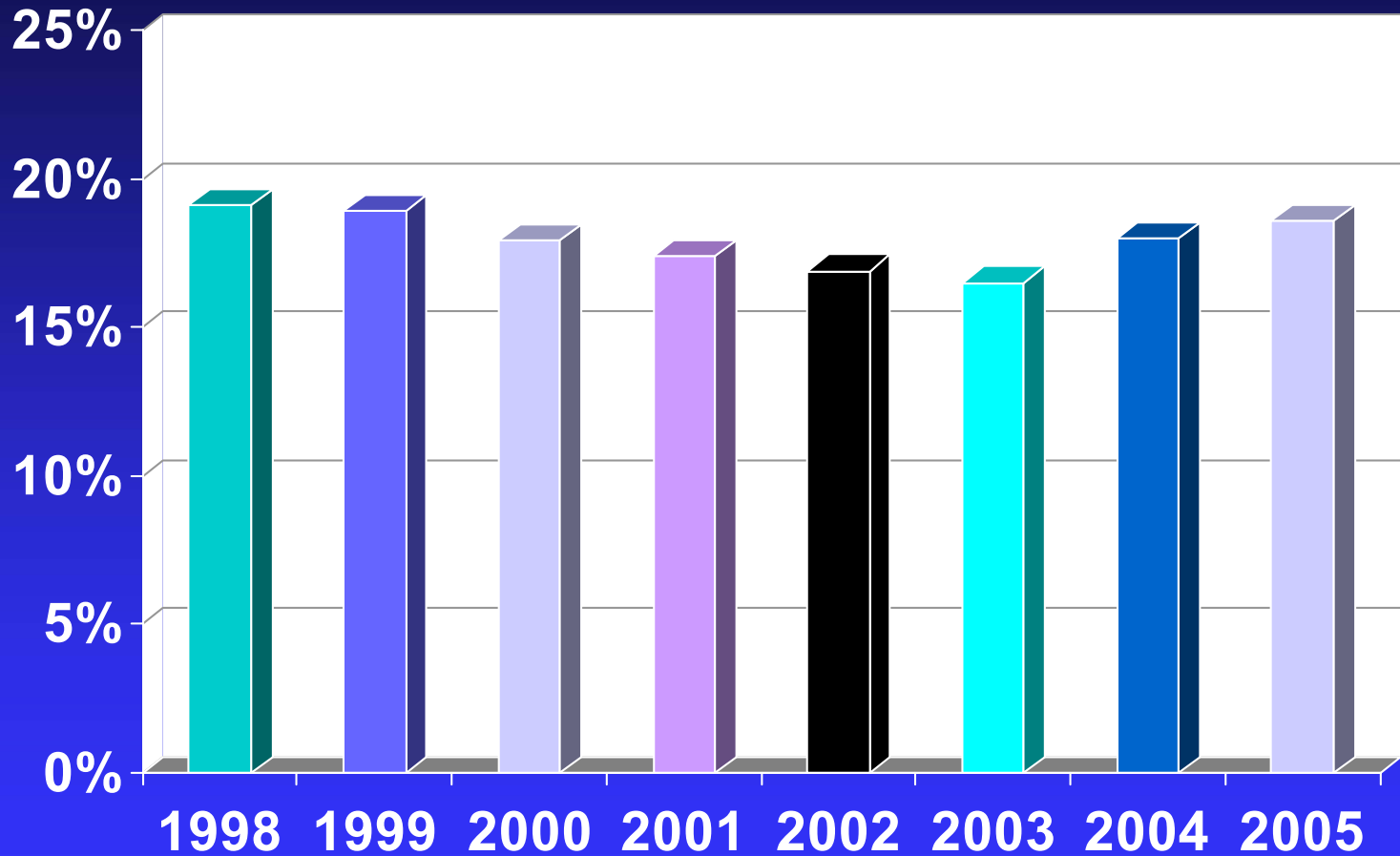
## Percentage to Claims Dollars Paid



Courtesy of State Farm



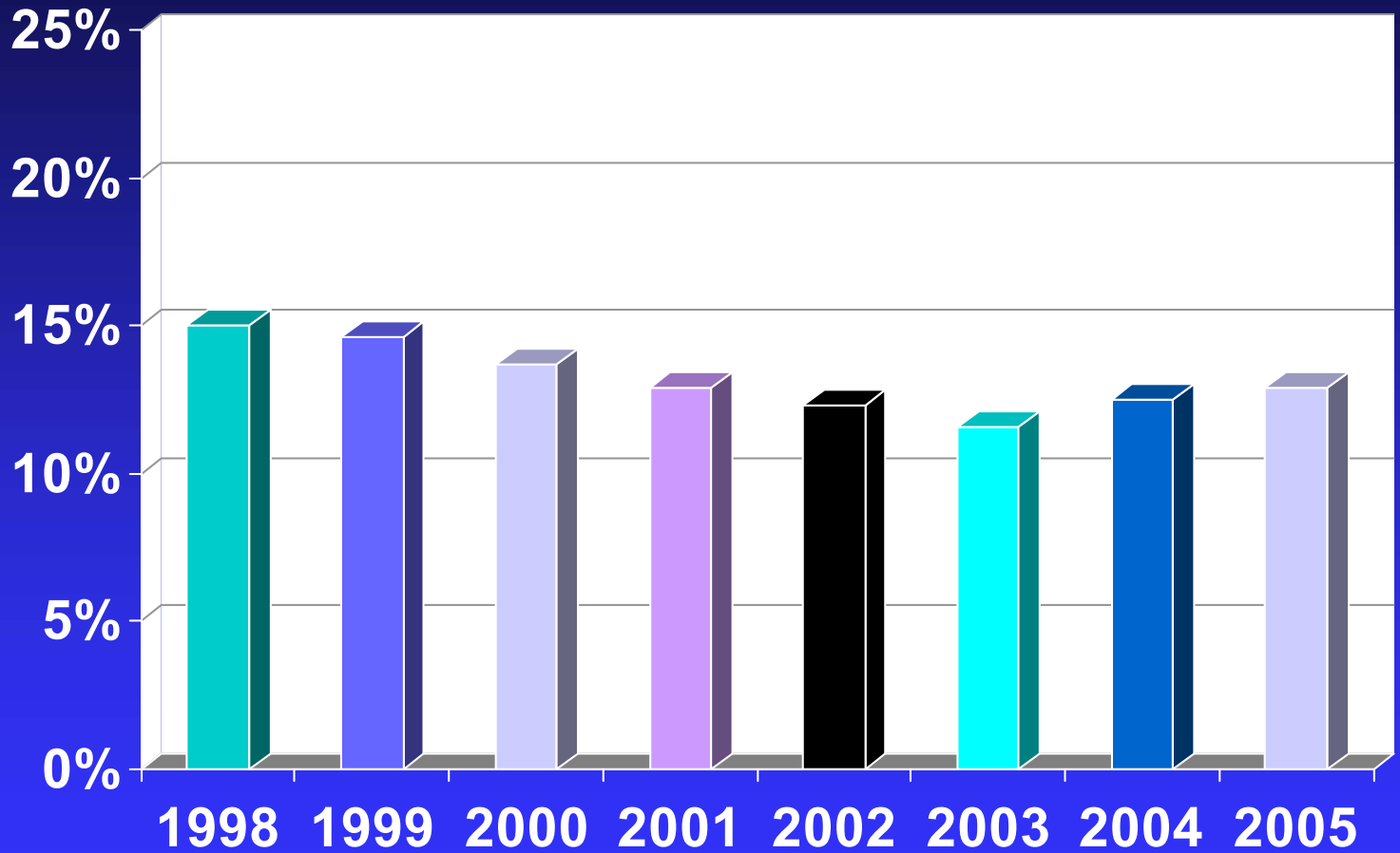
# Gross Recovery Percentage



Courtesy of State Farm



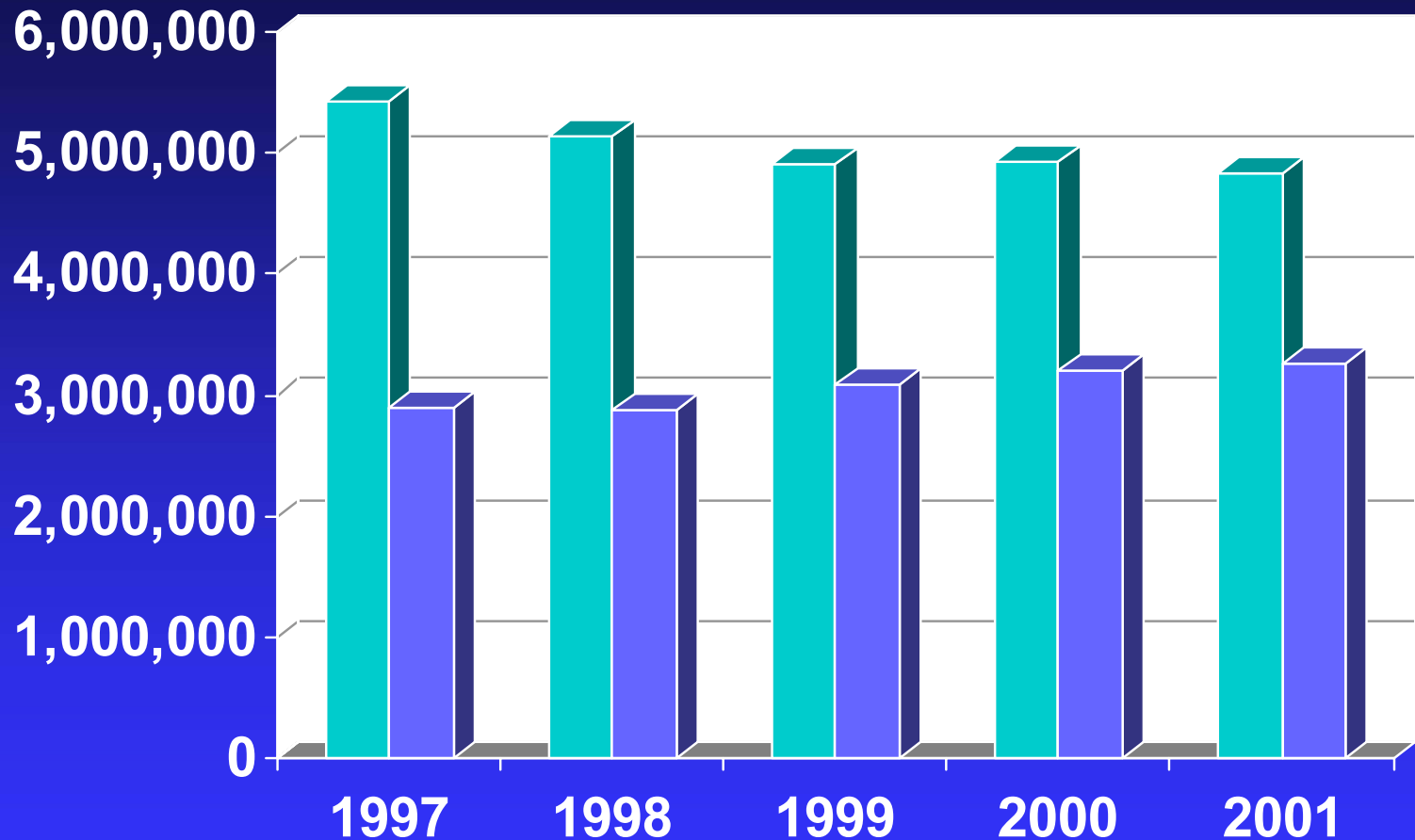
# Net Recovery Percentage



Courtesy of State Farm



# Number of Crashes

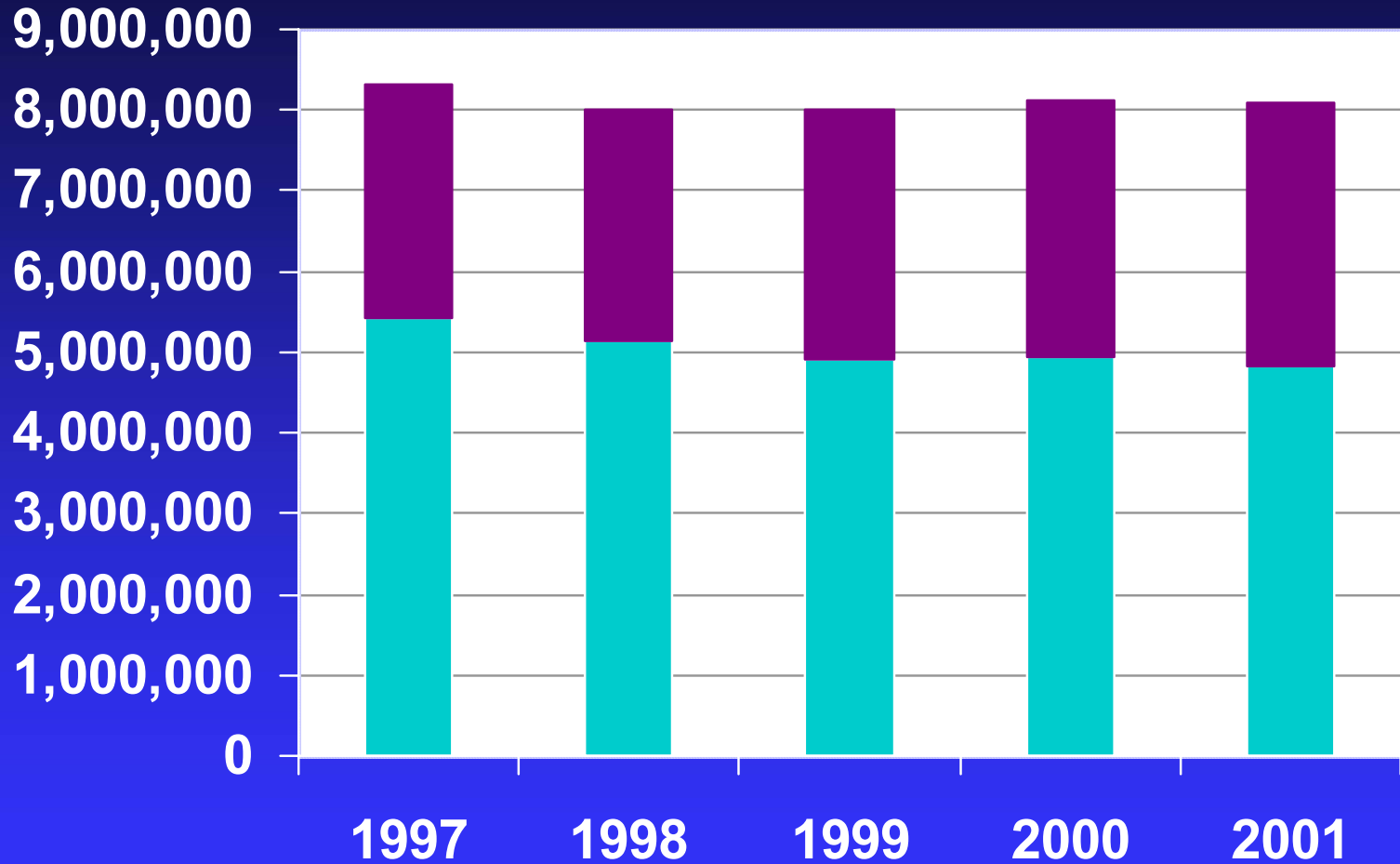


Courtesy US Department of Transportation





# Number of Crashes

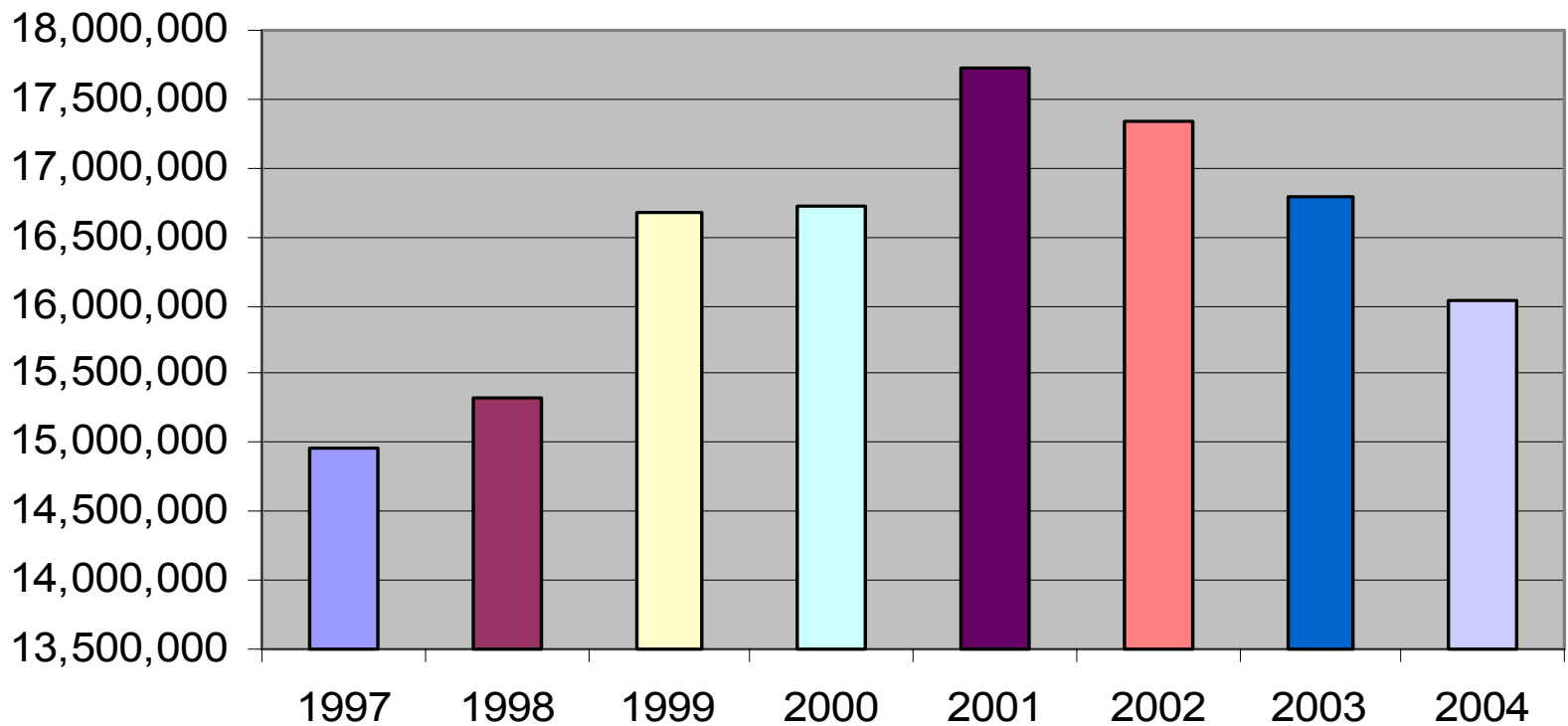


Courtesy US Department of Transportation



# Claims Frequency

## Total Paid Claims



Property Casualty Insurers Association of America (formerly NAII)



# Summary of Total Loss Trends

- Current Total Losses: 20%+
- Dollars Paid: 40 - 45%+
- Total Loss Numbers Increasing
- Accidents Not Increasing
- Claims Frequency Decreasing
- Salvage Recovery Increasing



# What is Causing This ?

- Costs of Air Bags and Safety Devices
- Costs of Other Technologies
- Vehicle Design in General
- ACV Prices – New Vehicle Financing
- Recovery Price Increases – Internet
- Total Loss Triggers – Prescreening
- State/Province Thresholds



# The Total Loss Crisis – NACE 2005

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- ◆ George Avery - State Farm
- ◆ Keith McCrone - Mitchell
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# Panelist Questions

## ■ Panelist

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