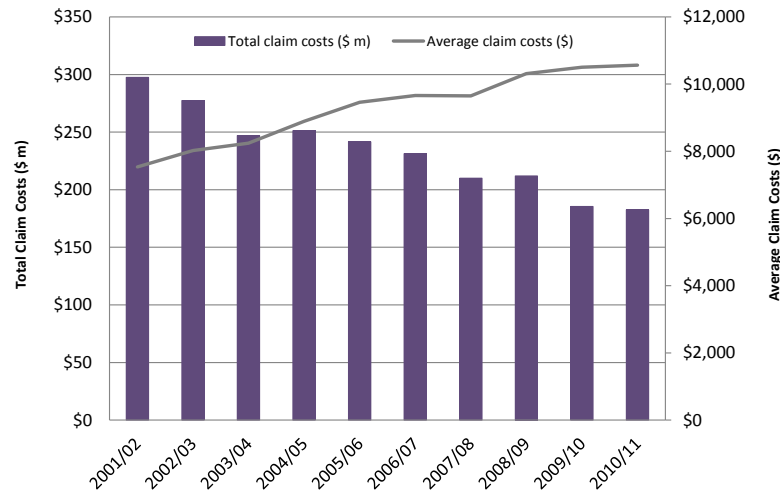




National Motor Vehicle
Theft Reduction Council
driving down vehicle theft

theft matters

THE LOW DOWN ON DECLINING INSURANCE COSTS



Analysis of insurance claim costs from the CARS database reveals some interesting trends¹:

- The total claim costs paid by insurers have steadily reduced in line with the fall in overall vehicle theft over the past decade. Theft claims totalled \$297 million in 2001/02 and have fallen to \$182 million in 2010/11. A reduction of 39%. When values are adjusted for inflation over the period, real savings increase to 52%.
- Over the period, the total number of claims submitted by participating insurers decreased by 56%.
- The average claim cost increased incrementally from \$7,537 in 2001/02 to \$10,564 in 2010/11. Adjusted for inflation the increase in the average claims cost over the period is 11%.
- Over half (55%) of all claims finalised during the period were agreed value policies with an average cost of \$9,103 in 2001/02 rising to \$12,246 in 2010/11. Market value policies (around 23%) averaged \$5,107 per claim in 2001/02 and \$6,351 in

2010/11. Sum insured claims (less than 3%) averaged \$5,506 in 2001/02 and \$10,296 in 2010/11.

- The number of motor vehicle theft claims where the vehicle was reported as under finance at the time of theft increased from 11% in 2001/02 to 20% in 2010/11.
- The number of cars in Australia's fleet increased by 30% over the decade which combined with the 56% reduction in claims has provided significantly improved theft claims ratios for insurers.
- The reduction in total theft claim costs is unlikely to be visible to motorists as motor premiums are influenced to a very significant degree by collision rates, repair costs and other factors such as vehicles damaged in natural disasters.

¹ Insurance analysis based on claims finalised during the reporting period and therefore the actual theft may have occurred prior to the reporting period. Data is supplied by participating insurance companies, and while the majority of insurers are represented, it does not necessarily reflect total insurance costs across Australia. Figures are based on claims with total costs greater than zero.

The NMVTRC acknowledges all police services, registration authorities, participating insurers, the Federal Chamber of Automotive Industries, Glass's Information Services, Polk Autospec and Insurance Australia Group for the supply of the data on which this report is compiled. Theft incident data may be subject to later revision by the data providers.

CARS 
comprehensive auto-theft research system

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The NMVTRC is an initiative of all Australian Governments and the Insurance Industry

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