



ClaimSearch[®] Trends

Q3 2023



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Executive Summary

The ClaimSearch Trends report leverages data sourced from our ClaimSearch® platform. This version of the report emphasizes trends within the auto industry. It is structured into two sections:

Industry Trends: Analyzing prevalent trends within the industry along with the underlying factors driving their evolution.

Kia and Hyundai Thefts: An in-depth exploration of the persistent increase in thefts of Kia and Hyundai vehicles, highlighting notable patterns and insights within this trend.



Industry Trends

Figure 1 shows claim volume over the last 5 years. We see that the claim volume in the most recent quarter is 11.5M, a 1.5% decrease from the previous quarter, but a 4% increase compared to a year ago. Claims activity is often influenced by seasonal factors. To account for these fluctuations, the remainder of this section will compare Q3 2023 claims data to figures from the third quarter of previous years.

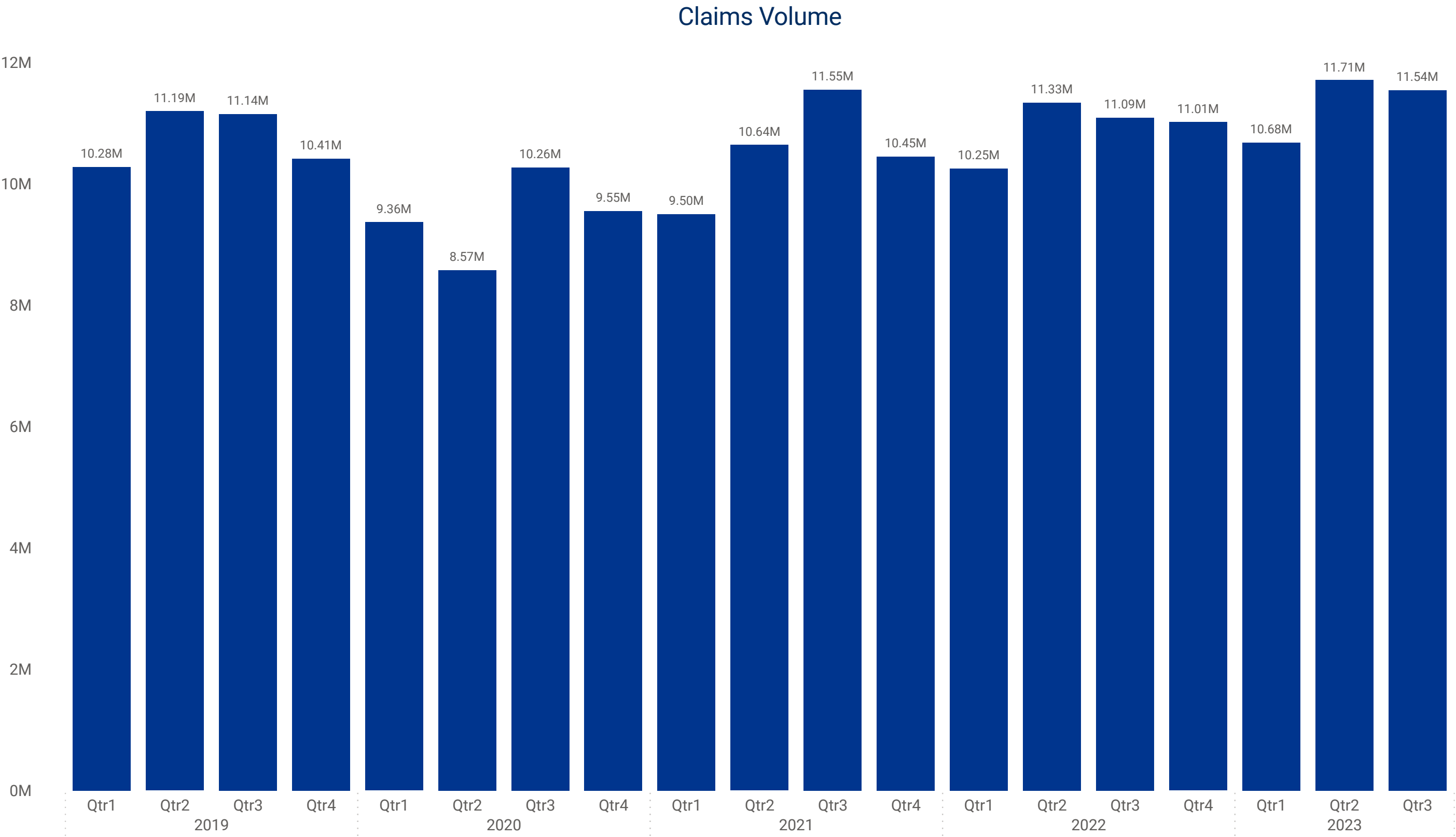


Figure 1: Total volume of claims submitted to ClaimSearch by quarter

Claim Volume by Policy Type

Figure 2 illustrates how the COVID-19 pandemic in 2020 dramatically impacted claim volumes across all four major policy types, causing them to reach peak highs or lows that year.

- Personal Auto claims fell from just over 8M in Q3 2019 to under 7M in Q3 2020 as pandemic restrictions reduced driving. Claims then rebounded quickly, exceeding 8M during the third quarters of 2021-2023.
- Commercial Auto followed a similar pattern, falling from around 0.4M to 0.31M, before jumping back above 0.4M after 2020.
- Workers' Compensation claims also significantly declined in 2020 to 0.61M as remote work and economic slowdowns took hold. Besides that outlier year, workers' compensation claims volume have since flattened out.
- In contrast to other policy types, Personal Property claims moved in the opposite direction, spiking in 2020 when prolonged home confinement led to more claims. Since then, strong variations have occurred mainly due to weather-related factors, with decreases in 2021 and 2022 but a sharp uptick again in 2023.

Claims Volume by Policy

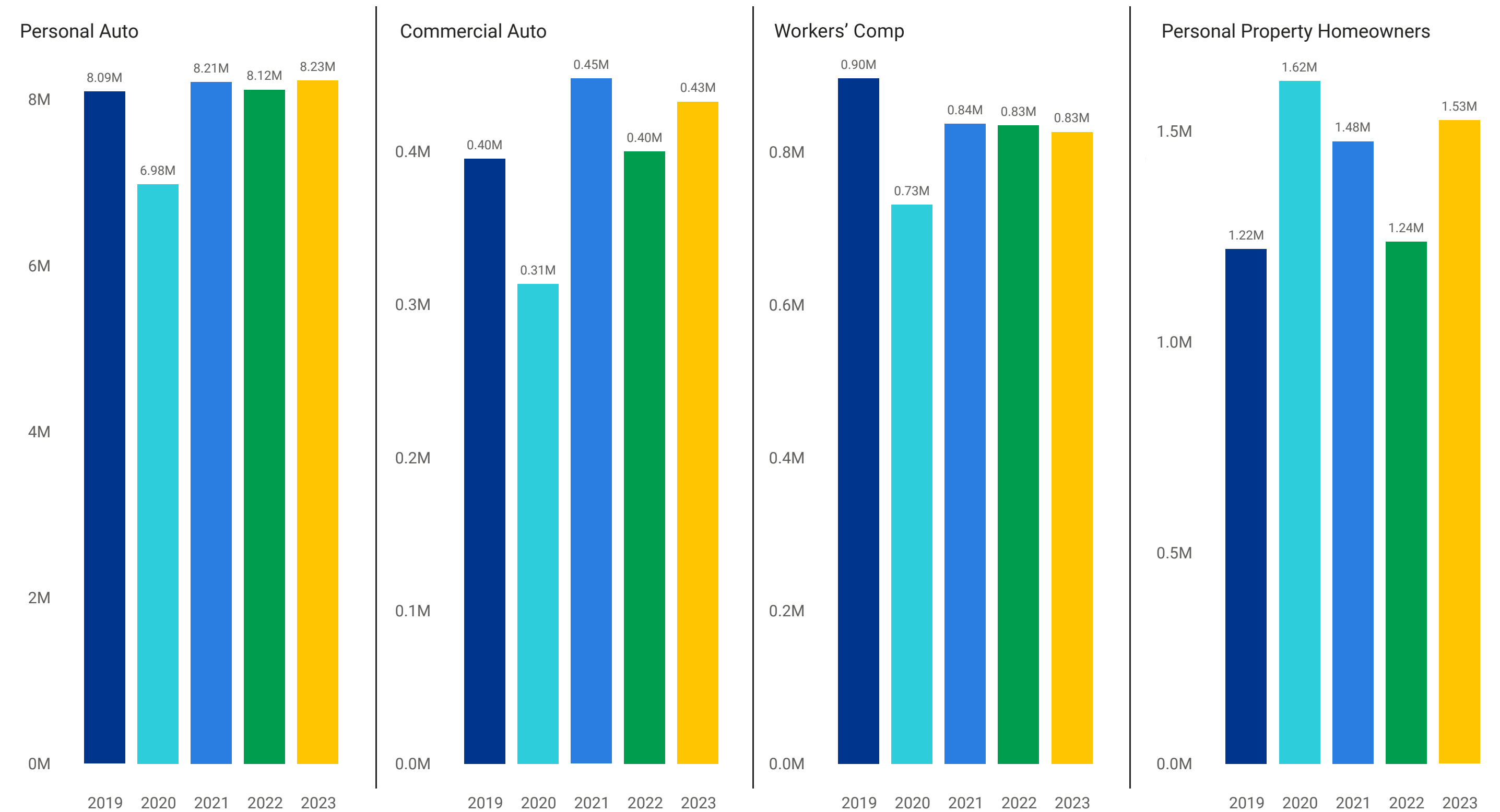


Figure 2: Claims submitted to ClaimSearch by policy type

Claim Volume for Personal Auto Coverage

When we look at claims by Personal Auto Coverage, we see that all coverages had a dip in claim volume in 2020 associated with the early days of the COVID pandemic, as can be seen in Figure 3. If we ignore this dip, we see a few strong trends.

- Collision claims have steadily declined 9% from 4.05M in Q3 2019 to 3.67M in Q3 2023. Related injury coverages show similar downward trends aligned with the reduction in collisions. Specifically, Bodily Injury decreased 26%, Personal Injury Protection (PIP) dropped 14%, and Medical Payments fell 17% between 2019 and 2023. As expected with fewer accidents, Uninsured Motorist decreased 37% and Underinsured Motorist declined 26% in the same period. The parallel downward movement across these interrelated coverages indicates they are all tied to underlying collision frequency.
- Comprehensive losses have risen sharply, increasing 21% from Q3 2019 to Q3 2023. The number of comprehensive losses in that time rose by more than 0.5M, a large increase that essentially cancels out the decrease associated with collisions. Since Comprehensive Coverage contains many different loss types, we'll analyze this overall growth by examining the granular loss type trends in the next sub-section.
- Rental reimbursement claims have also been steadily rising, increasing by 18% from 0.72M in Q3 2019 to 0.85M in Q3 2023. This upward trend can partially be attributed to auto repairs taking longer due to ongoing supply chain disruptions affecting the availability of parts. While drivers may withstand a short wait of a couple days without their vehicle, as repair times get drawn out, they become more inclined to file a rental reimbursement claim. Additionally, many repair shops that previously offered complimentary rentals for a few days have discontinued that practice. This further increases the likelihood that insured drivers will seek rental coverage for prolonged periods without their vehicle.

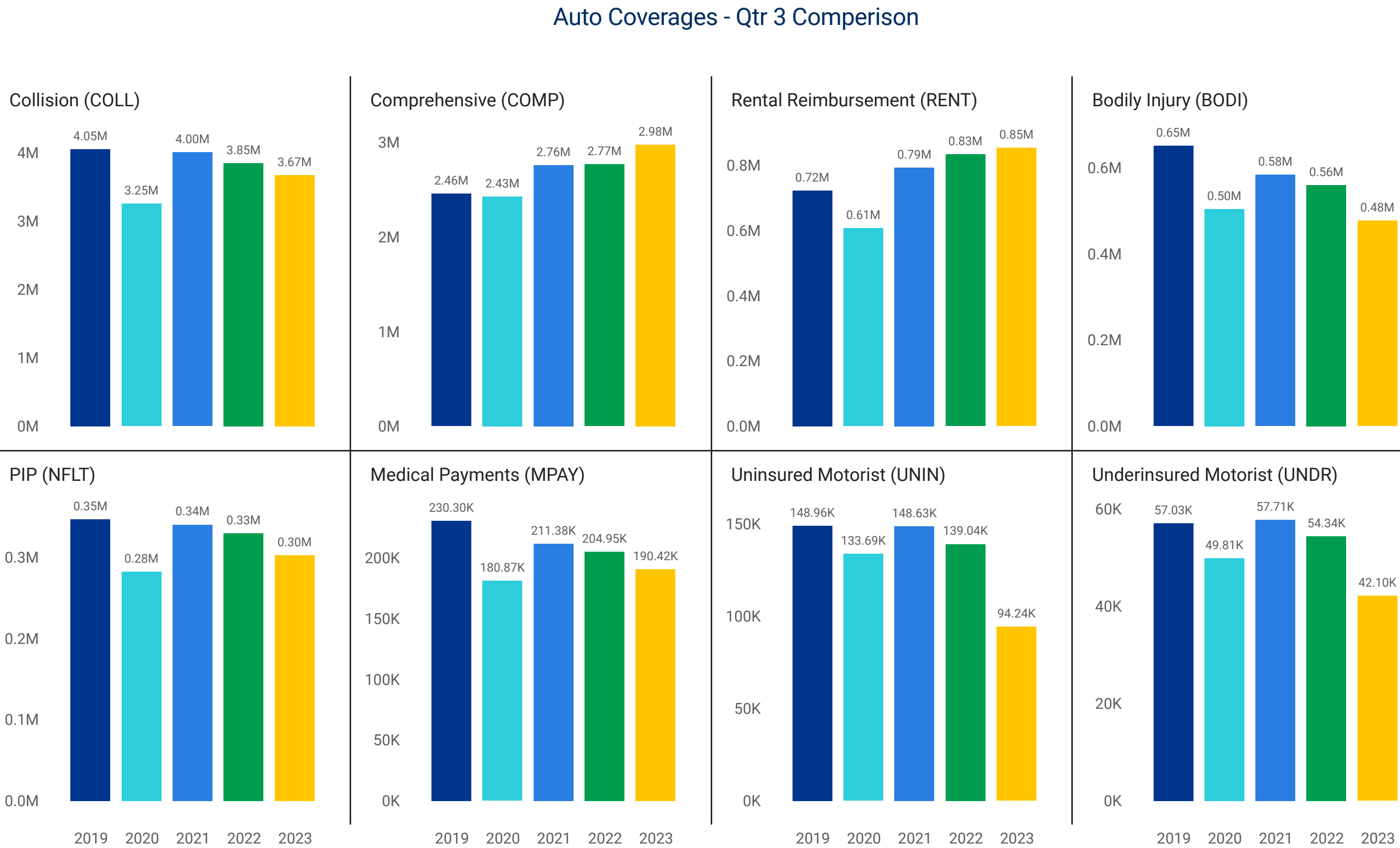


Figure 3: Personal Auto claim volume for selected coverages submitted to ClaimSearch

Personal Auto Claim Volume – Comprehensive Losses

Figure 4 reveals a striking surge in comprehensive coverage hail claims in 2023 compared to prior years. The number of hail claims spiked to 0.13M in Q3 2023, a 200% increase from Q3 2022 and 50% higher than the previous peak of Q3 2019. This dramatic rise aligns with increased convective storm activity observed in 2023.



Auto Comprehensive Losses - Qtr 3 comparison

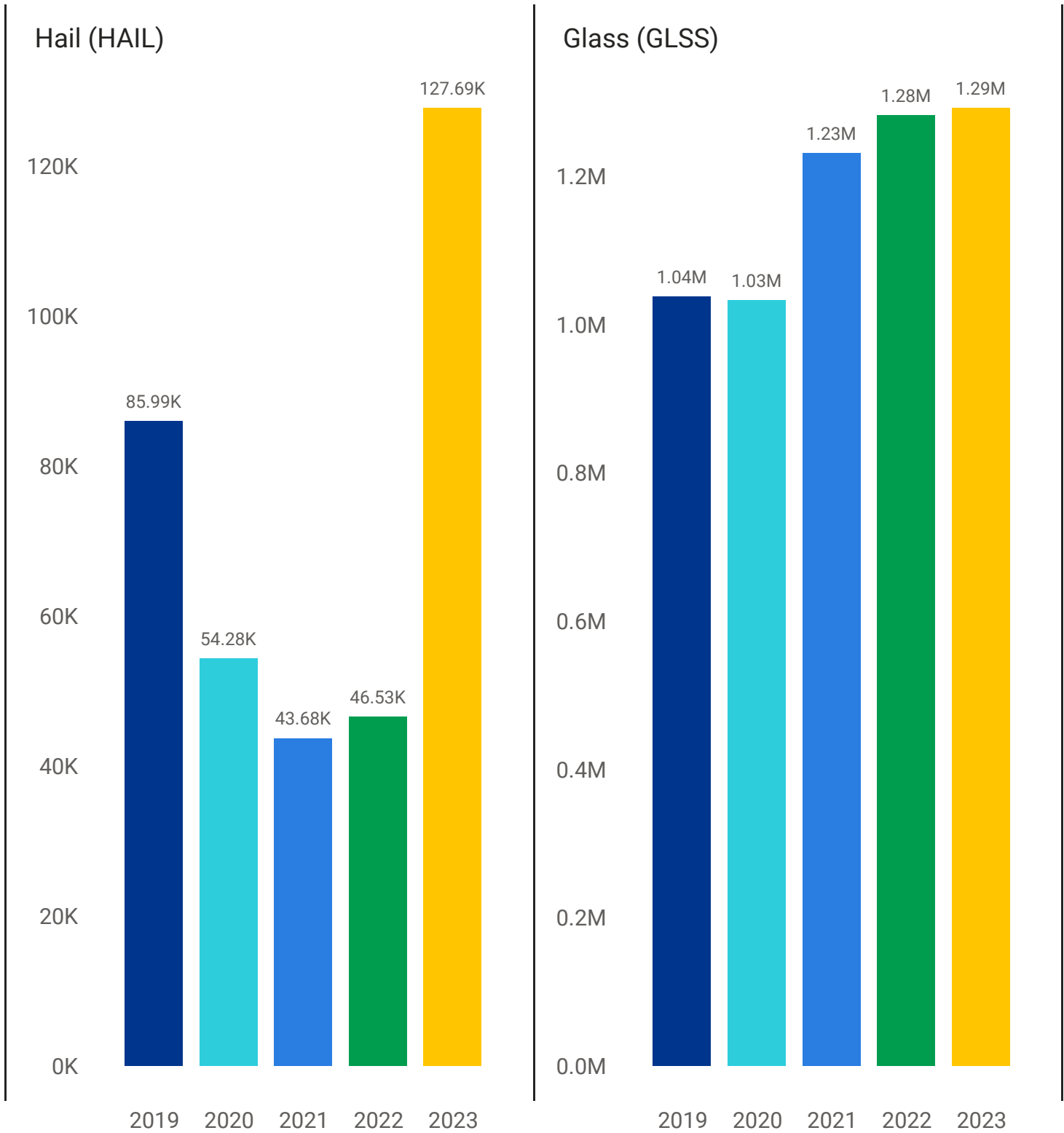


Figure 4: Selected Personal Auto Comprehensive Losses submitted to ClaimSearch

Personal Auto Claim Volume – Comprehensive Losses

As illustrated in the Figure 5 map and Figure 6 daily hail volume graph, Colorado had the most hail claims during Q3 2023: more than 25,000 claims resulting from a number of major events during July and early August. The other major hail events driving claims this quarter occurred primarily in Minnesota in mid-August and Texas in late September.

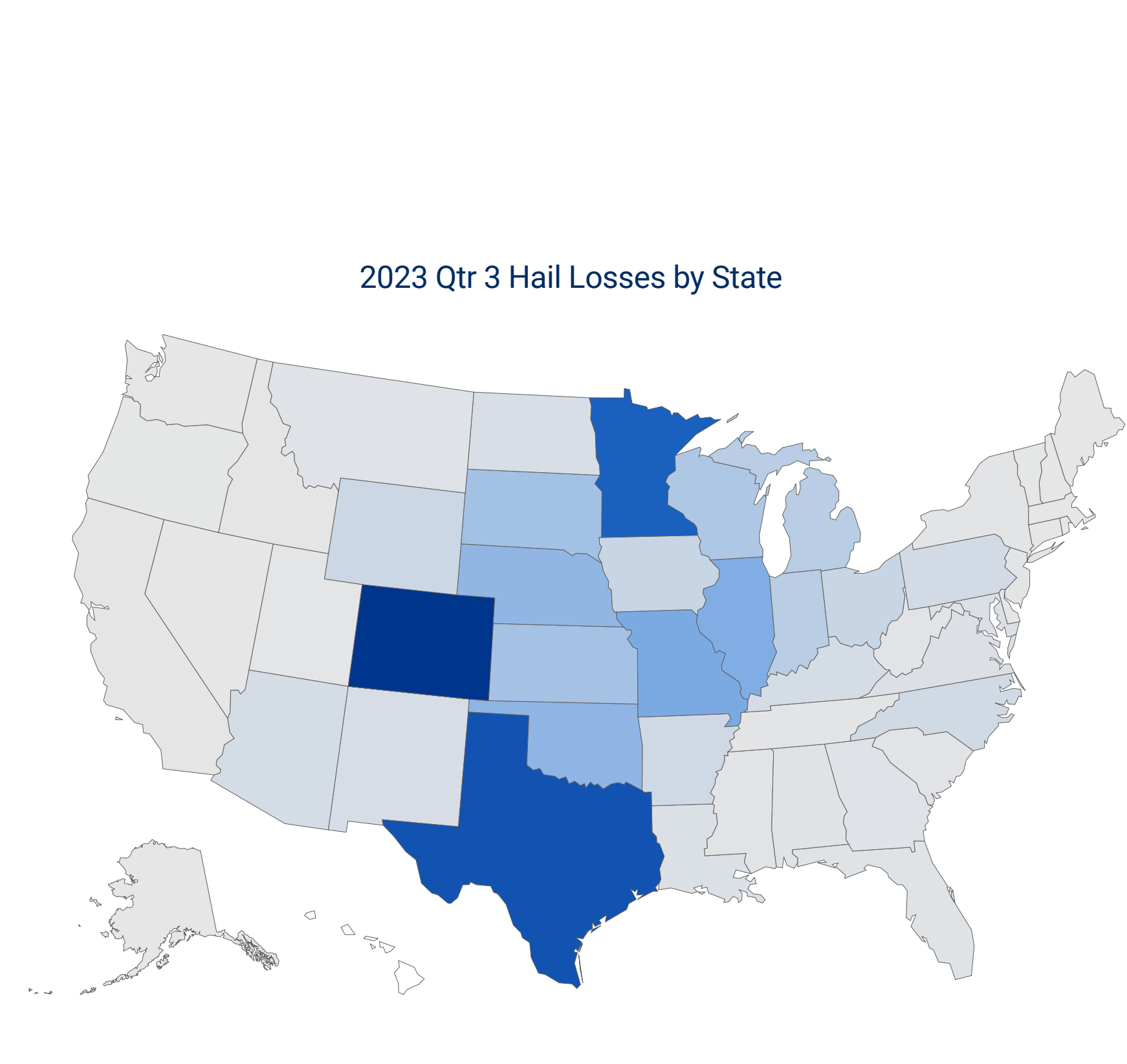


Figure 5: Heat map showing volume of Q3 2023 hail losses by state

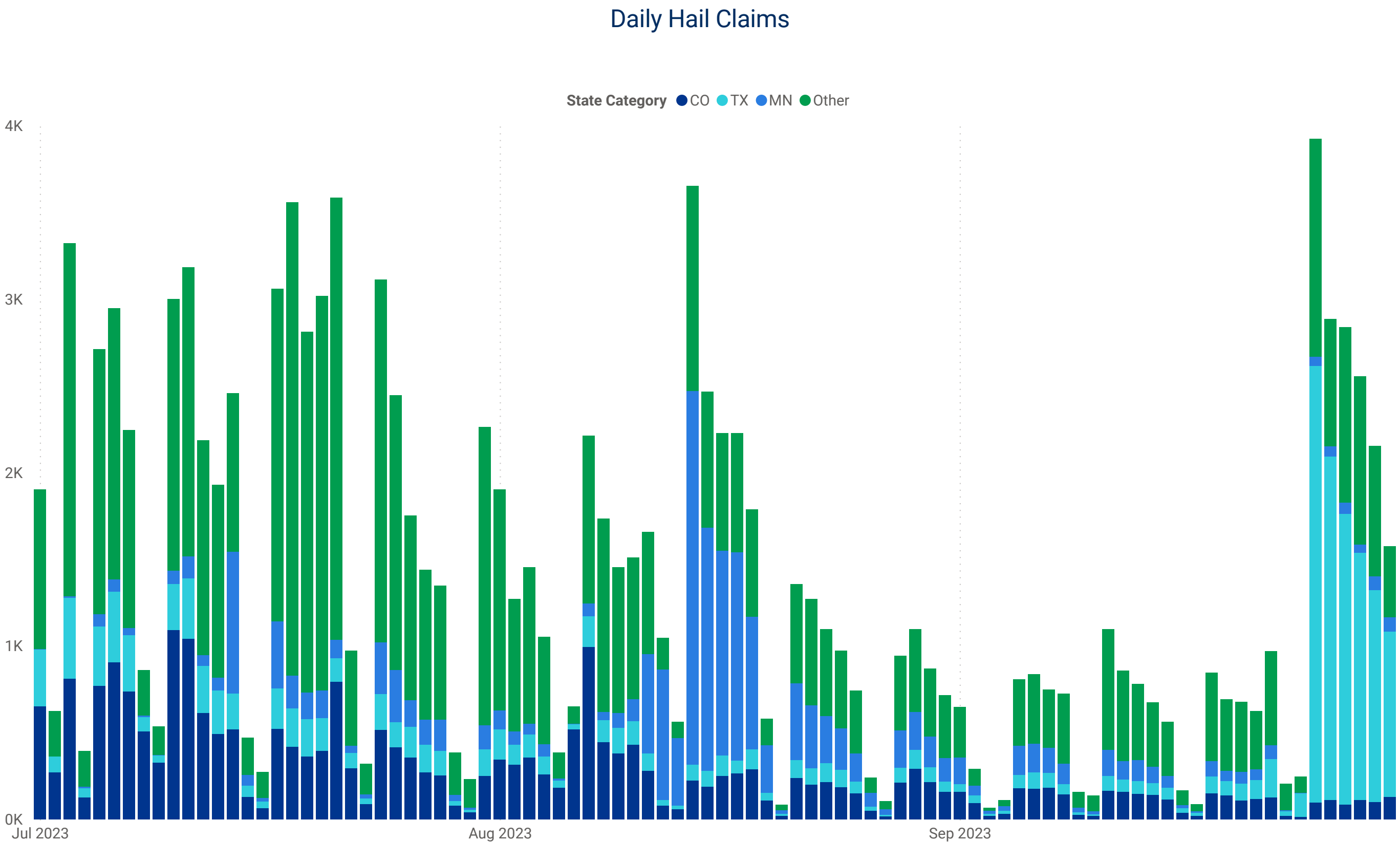
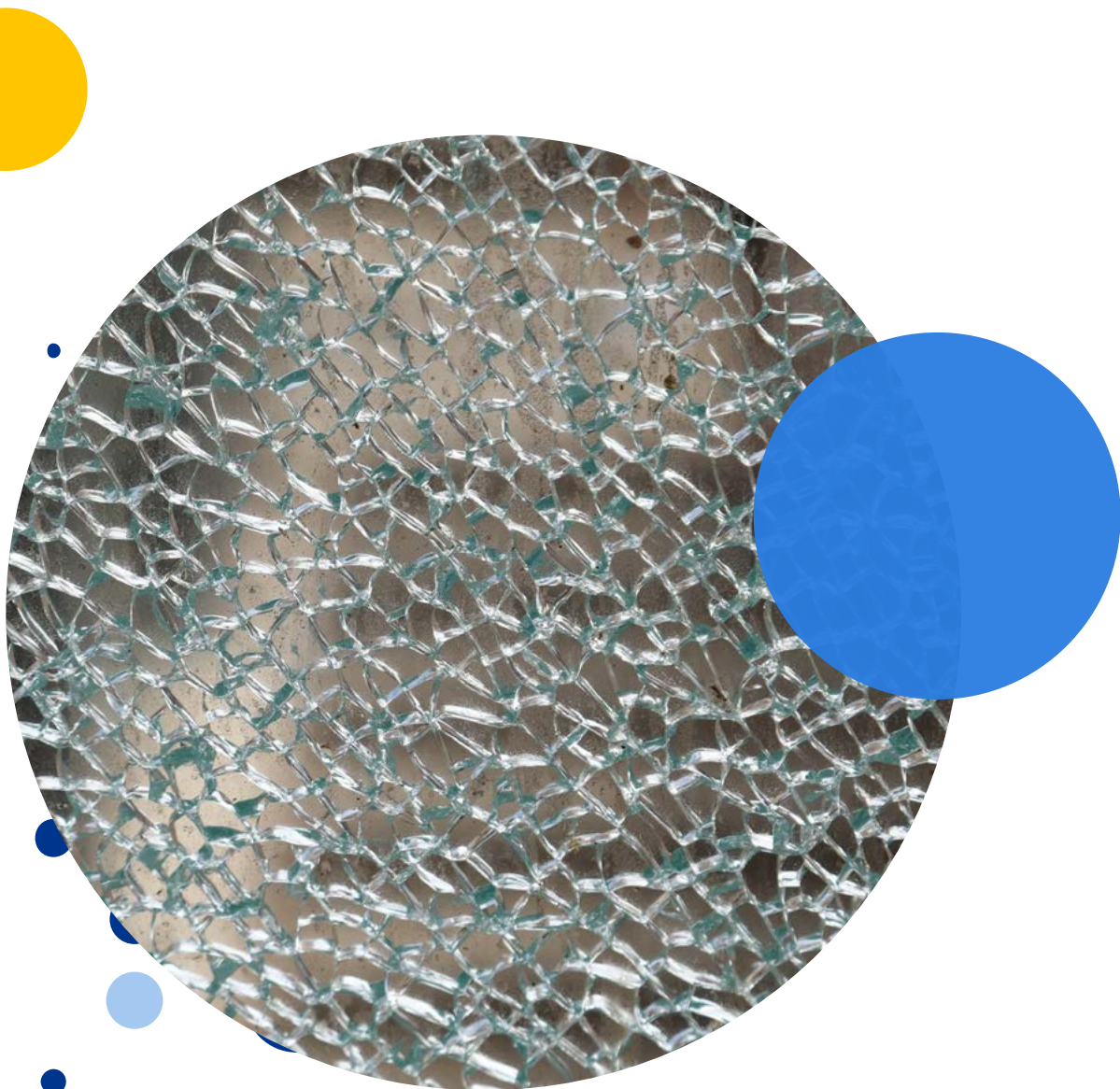


Figure 6: Daily volume of hail claims submitted to ClaimSearch in Q3 2023

Personal Auto Claim Volume – Comprehensive Losses

As shown in Figure 4, glass claims have been on the rise in recent years. These claims tend to be for low dollar amounts and often go unchecked. Figure 7 displays the top 10 states for glass claims per capita, with Arizona far surpassing all others. In fact, Arizona has the highest total glass claim volume, even though it ranks only 14th in population. Several elements likely contribute to the high number of glass claims in Arizona, including widespread use of xeriscape landscaping that creates debris on roads, extreme temperature fluctuations, state laws requiring zero deductible on glass repairs (one of only 5 such states), and strict laws prohibiting driving with cracked windshields.



Glass Claims per 100,000 residents - Top States

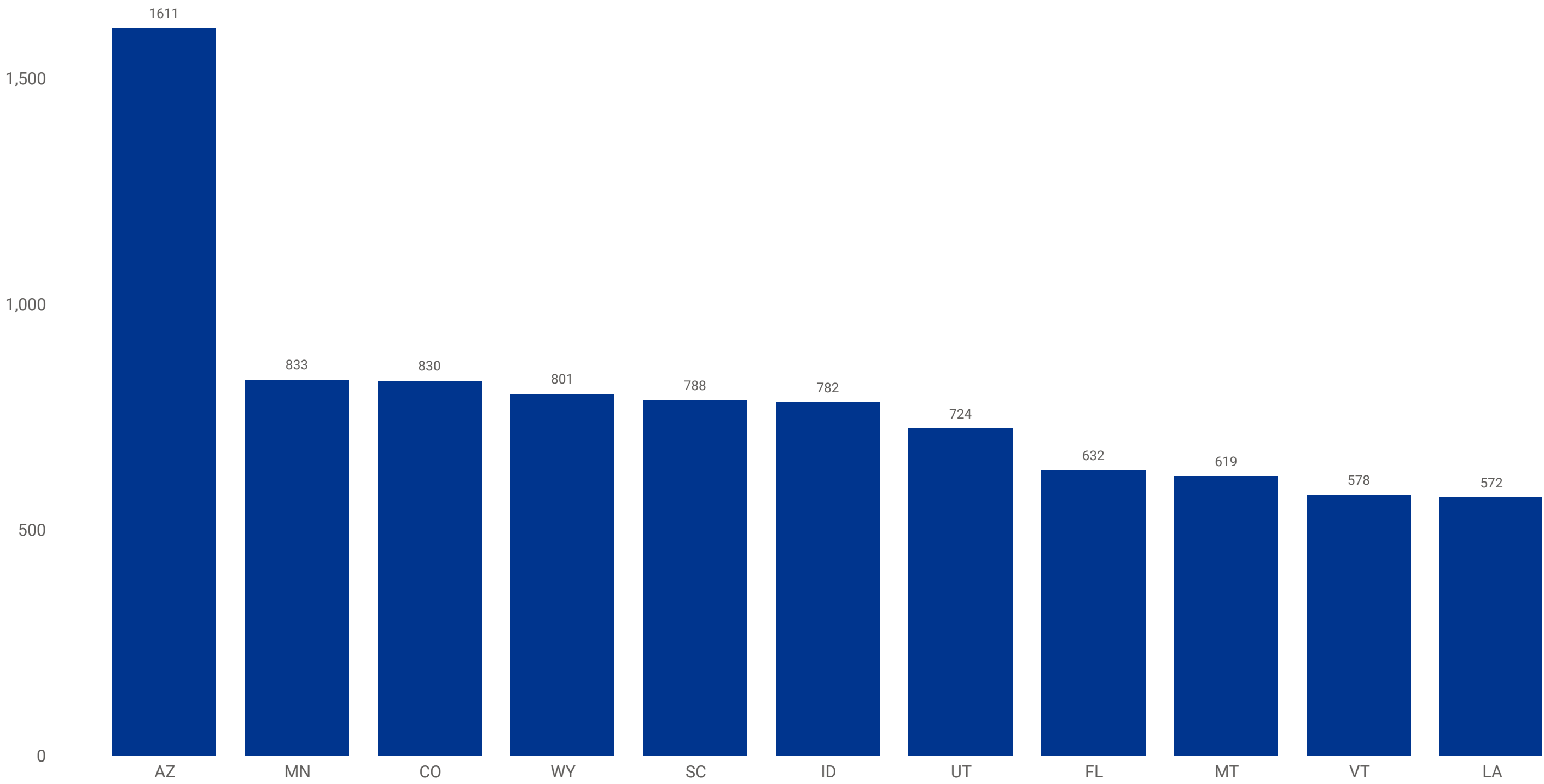


Figure 7: Number of glass claims submitted to ClaimSearch per 100,000 residents

Kia and Hyundai Thefts

This section examines the ongoing surge in Kia and Hyundai thefts. Figure 8 displays the overall automobile total theft pattern by quarter from 2019 through the first three quarters of 2023. Kia and Hyundai thefts are included in the graph as separate categories. Overall theft for other vehicle types, excluding Kia and Hyundai, had been decreasing following a peak in 2022Q3 until the most recent quarter. However, that trend has also been coupled with a rapid increase of Kia and Hyundai thefts.

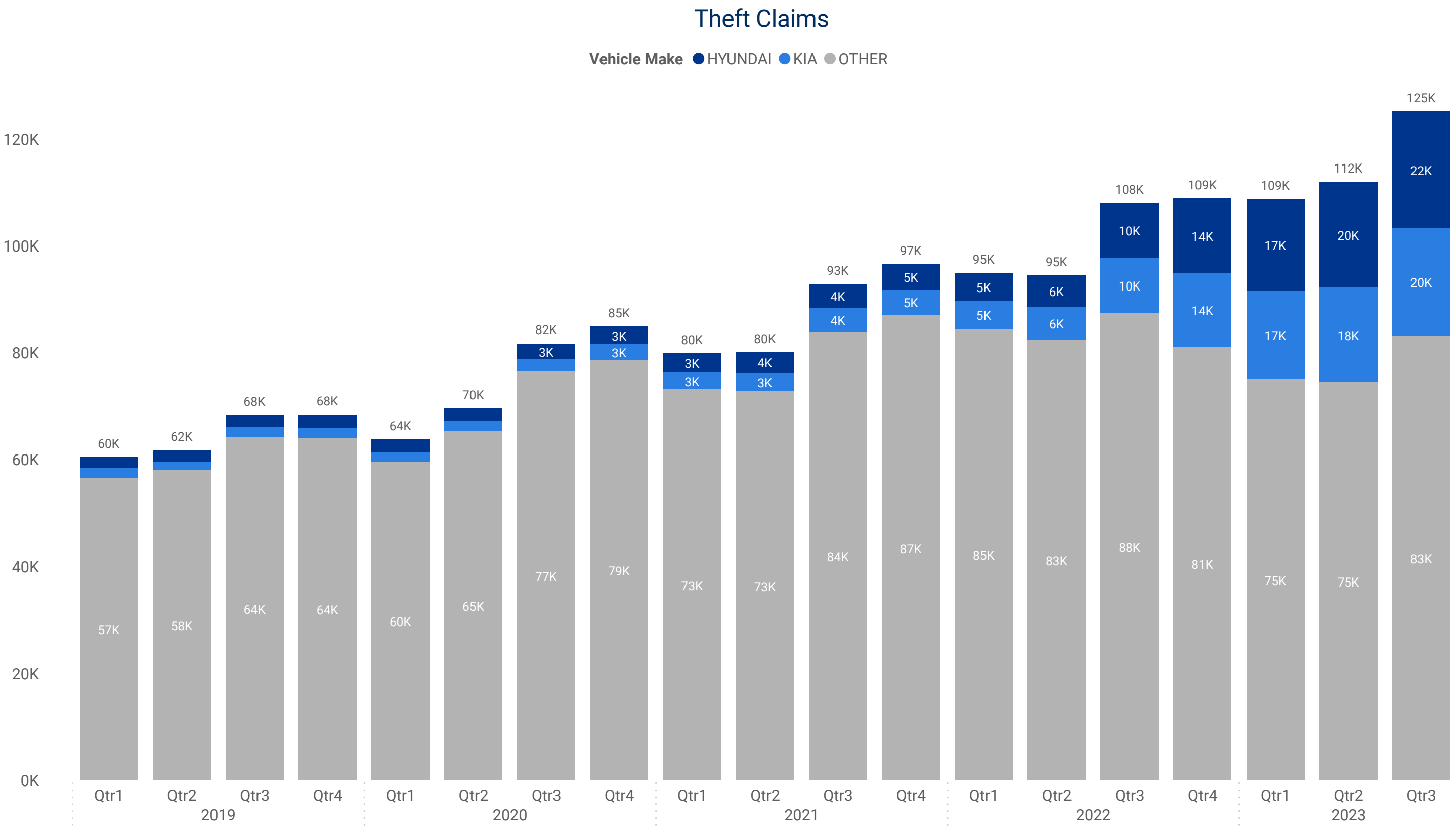


Figure 8: Quarterly automobile thefts reported to Claimsearch with Hyundai and Kia thefts highlighted

Kia and Hyundai Thefts

One possible explanation for this trend is that a growing number of Kia and Hyundai vehicles are on the road in general. We analyzed the trend of collision claims for Kia and Hyundai vehicles alongside their theft claims to compare their ratios within respective categories. In other words, are ordinary collision claims involving Kia and Hyundai vehicles accelerating proportionally at a similar rate as theft claims?

As seen in Figure 9, the historical Kia and Hyundai proportions of both Theft and Collision claims were very similar during 2019 and 2020, hovering around 6% in their respective categories. However, this started to change in 2021 as the Kia and Hyundai theft proportion started to increase. While the Kia and Hyundai proportion of Collision claims has remained relatively flat, the theft ratio increased exponentially in the latter half of 2022 and into 2023. In the most recent quarter, Kia and Hyundai theft represented one-third of auto theft claims reported to ClaimSearch.



Collision Ratio (Kia/Hyundai) and Theft Ratio (Kia/Hyundai) by Quarter

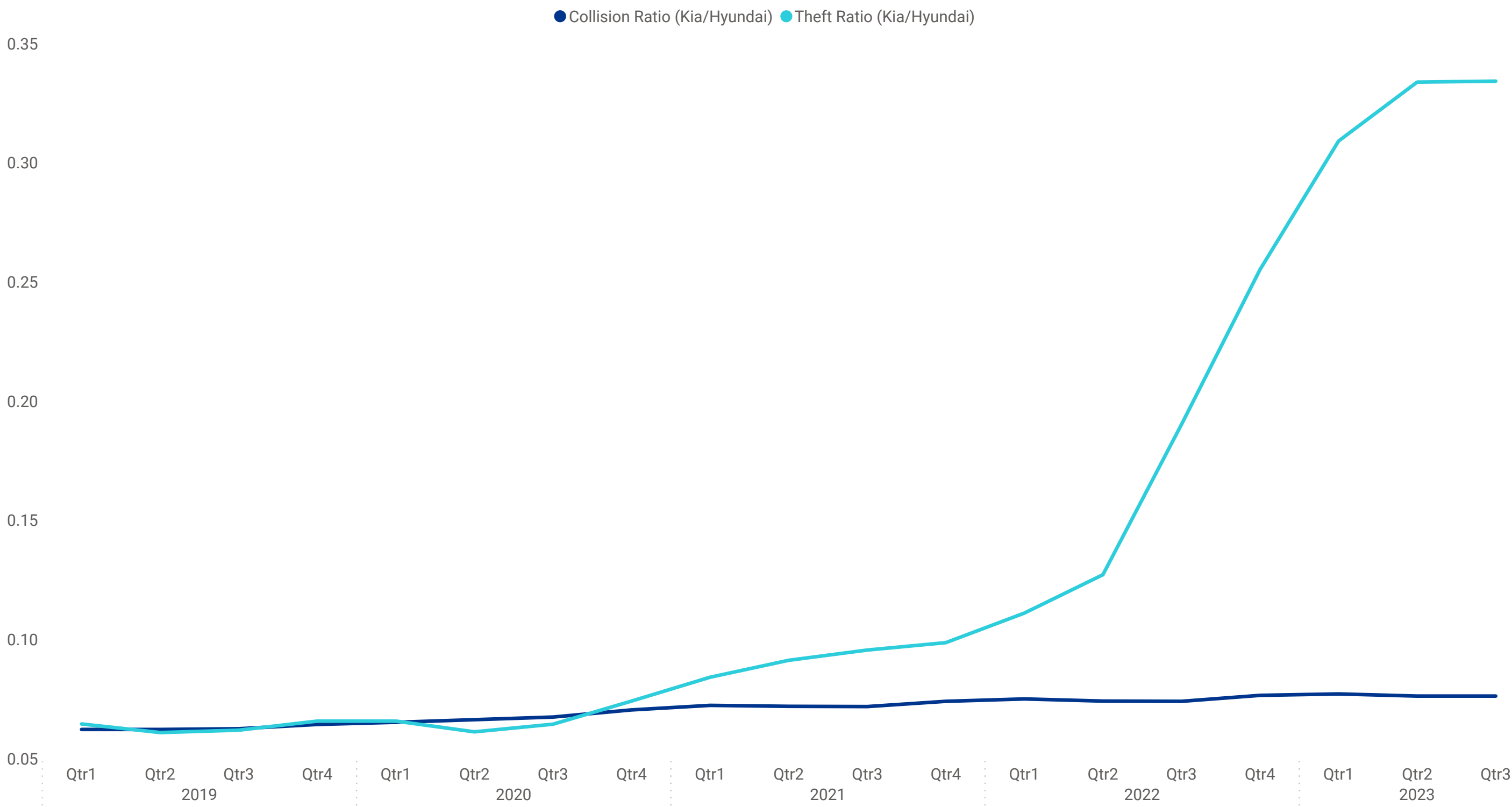


Figure 9: Ratios of Kia and Hyundai automobile collisions and thefts reported to ClaimSearch (compared to collisions and thefts for all car makes) by quarter

Kia and Hyundai Thefts

Certain models and years of Kia and Hyundai vehicles with turnkey ignitions that lack common anti-theft features like an engine immobilizer has made them more prone to theft¹. Digging deeper into ClaimSearch data reveals the specific models and years being stolen over time within the Kia and Hyundai brands. To normalize comparisons, we used the ratio of theft claims to collision claims within a given category, allowing for an assessment of theft rates for vehicle years and models of varied popularity.

Figure 10 shows the normalized rate of theft claims as a proportion of collision claims for the most common Kia vehicle models. During 2019 and 2020, the theft rate was very similar for all vehicle models, but then changes started to emerge:

- The Optima and Sportage theft rates ramped up in 2021 while the rates for most other models remained relatively flat during that year.
- A second spike occurred around the third quarter of 2022 that impacted almost every Kia model, with Optima and Sportage continuing to have the highest rates.
- In recent quarters, the Rio and Soul models reached or exceeded those elevated theft rates while the Sportage has had a declining rate in 2023.
- The Kia Telluride model has consistently had a lower theft to collision rate compared to the other models.



Vehicle Theft Rates as a Proportion of Collision Claims for Kia Models

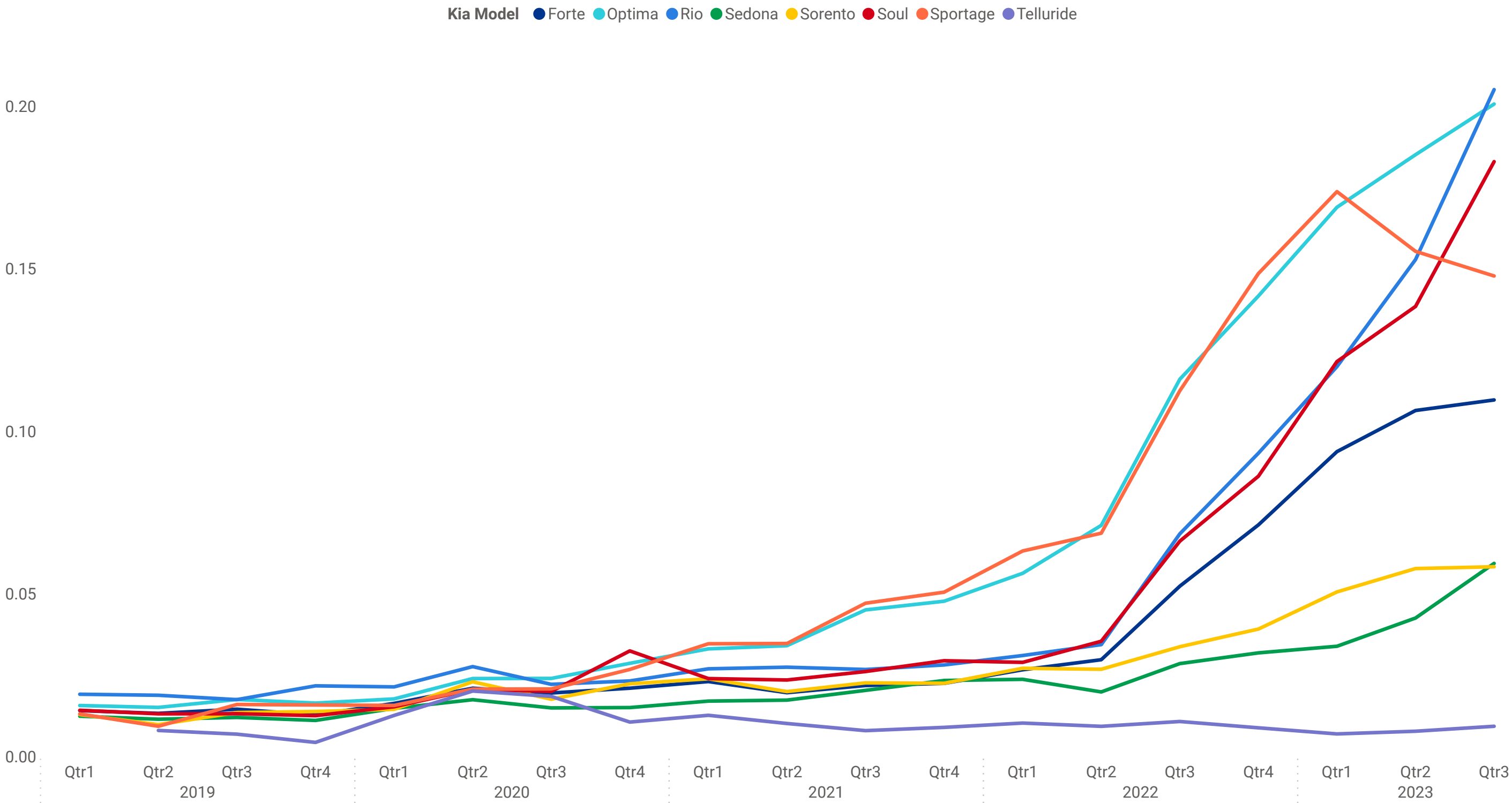


Figure 10: Quarterly ratio of Kia thefts to Kia collisions reported to ClaimSearch by vehicle model

Kia and Hyundai Thefts

Figure 11 shows the notable variability in theft volume over time by vehicle year. Again, the theft-to-collision ratios are largely similar during 2019 and 2020. The deviation begins in 2021, when thefts of 2015 models started to increase most notably. Similarly, a second wave of spikes occurred in the latter half of 2022 and into 2023.

Kia model years between 2014 and 2020 have the highest theft-to-collision rates.

- Cars manufactured in 2013 and earlier have more moderate rates, possibly due to older cars not being an attractive target for theft.
- Additionally, cars made in 2021 and especially those made in 2022 and 2023 have had much lower rates so far. This aligns with the fact that more recent models have additional anti-theft protections added in response to the trend.



Vehicle Theft Rates as a Proportion of Collision Claims for Kia by Year

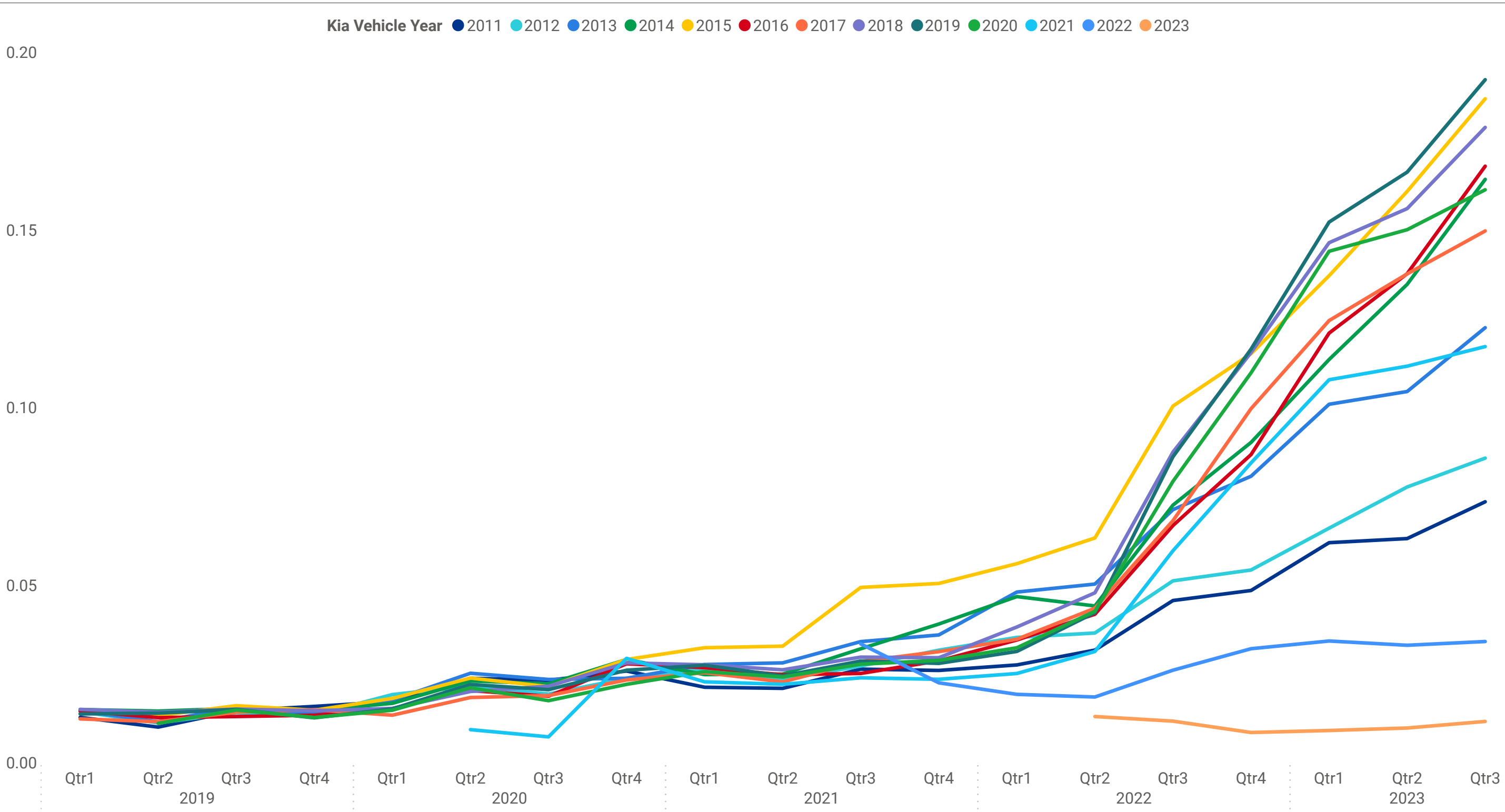


Figure 11: Quarterly ratio of Kia thefts to Kia collisions reported to ClaimSearch by vehicle year

Kia and Hyundai Thefts

For Hyundai models, the Sonata and Elantra stand out with the highest theft-to-collision rates, as shown in Figure 12. While the Tucson model was tracking at a similar rate during the early part of the trend, it's since reached more of a plateau in 2023, although still at much higher rates than previously.

Vehicle Theft Rates as a Proportion of Collision Claims for Hyundai Models

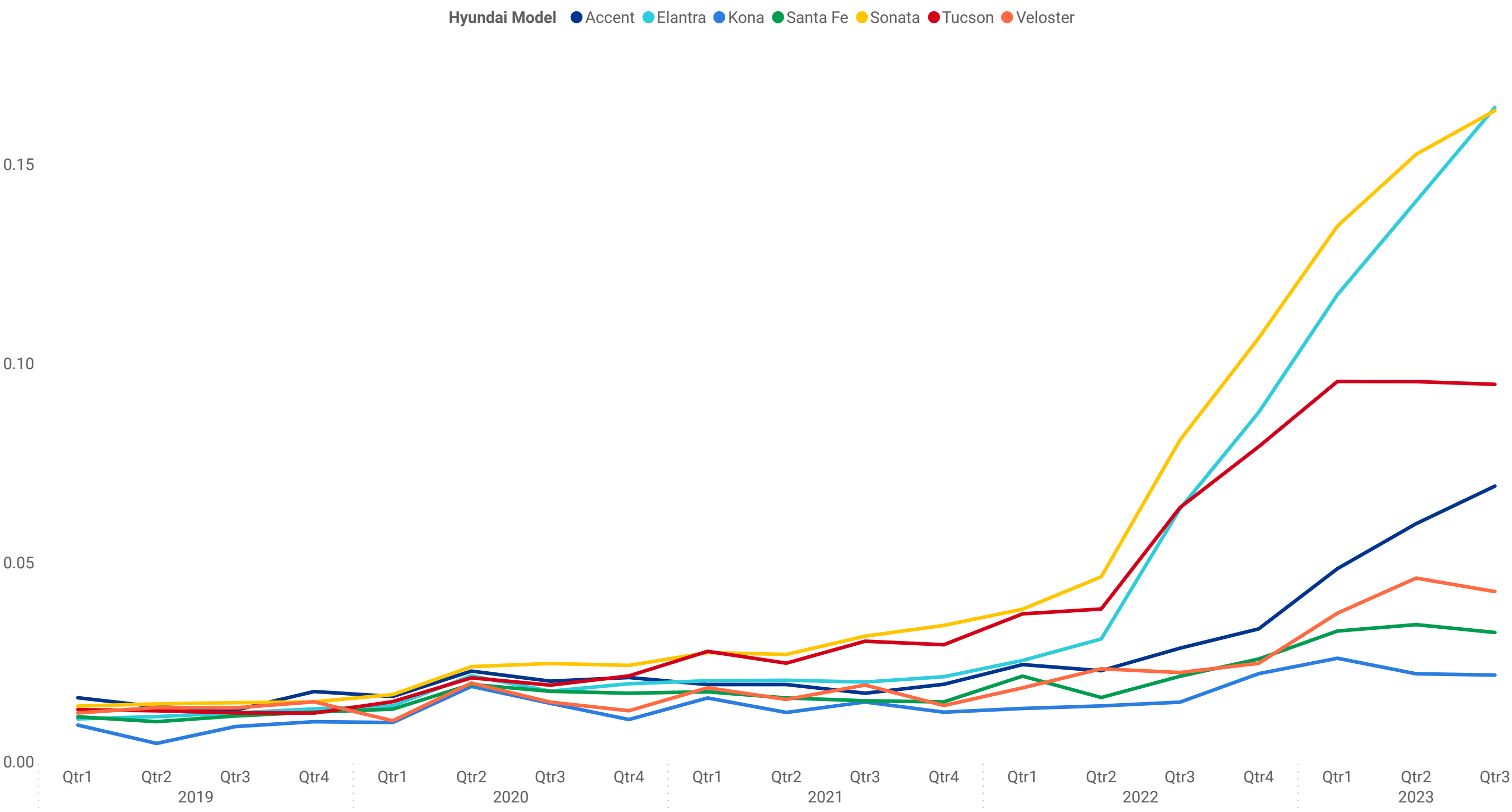


Figure 12: Quarterly ratio of Hyundai thefts to Hyundai collisions reported to ClaimSearch by vehicle model

Kia and Hyundai Thefts

The theft-to-collision ratios for Hyundai vehicle years in Figure 13 shows a clear cluster. Vehicle years 2011-2019 increased along a similar trend, with 2016 vehicles having the highest rate over the last few quarters. Vehicle year 2020 shows a sharp drop, followed by 2021, 2022, and 2023 with low rates thus far.

Vehicle Theft Rates as a Proportion of Collision Claims for Hyundai by Year

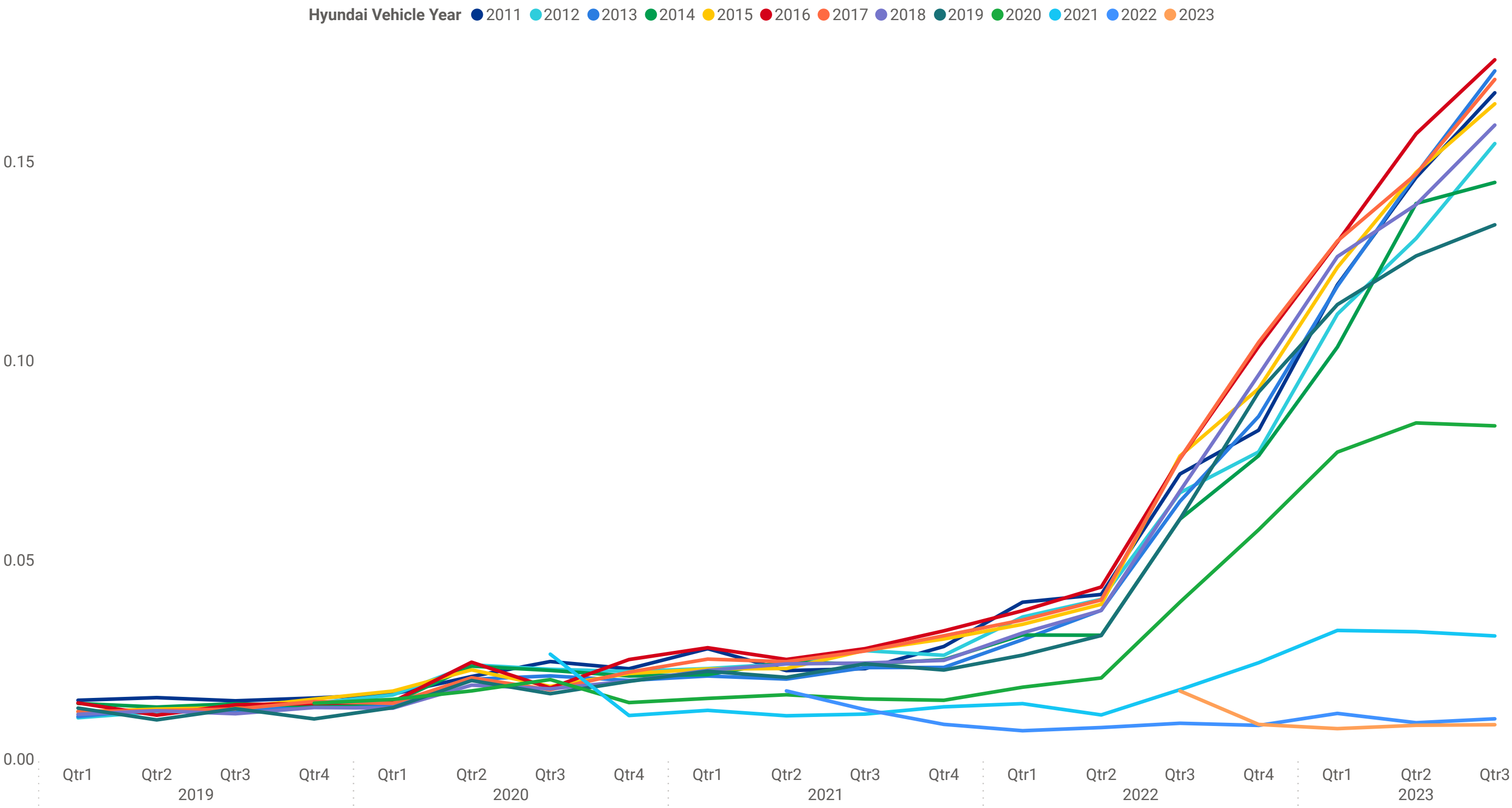


Figure 13: Quarterly ratio of Hyundai thefts to Hyundai collisions reported to ClaimSearch by vehicle year

Kia and Hyundai Thefts

Figure 14 displays the top 12 states in Kia/Hyundai theft volume from Q1 2021 through Q3 2023, ranked in descending order.

States like California, Texas, Florida, Maryland, and Pennsylvania have had a continued increasing trend throughout the 2021-2023 analysis period, while states such as Colorado, Illinois, and Minnesota peaked in late 2022 to early 2023.

Wisconsin experienced a peak in the third quarter of 2021 but has since had a steady decline, very unlike other states. Interestingly, the original epicenter of the Kia/Hyundai theft phenomenon took place in Wisconsin, specifically concentrated in the city of Milwaukee in the latter half of 2021. Milwaukee was also one of the first cities that started issuing free steering wheel locks to owners of Kia/Hyundai vehicles in mid-2021.²

While the trend had its origins in Milwaukee, it spread rapidly to many other areas, in large part due to the viral Kia Boyz TikTok challenge in July 2022.³ Our exploratory data analysis confirms that this remains an ongoing trend throughout much of the country.

In this report, we have quantified the ongoing surge in Kia and Hyundai theft. During the analysis, although not quite as strong as the Kia and Hyundai trend, we observed a similar strong uptrend of theft in certain Dodge vehicles, notably the Charger and Challenger models. In addition to providing an update on the Kia and Hyundai theft trend, we will examine the Dodge theft trend within our next report in more detail.

Number of Kia/Hyundai Theft Claims by Loss State

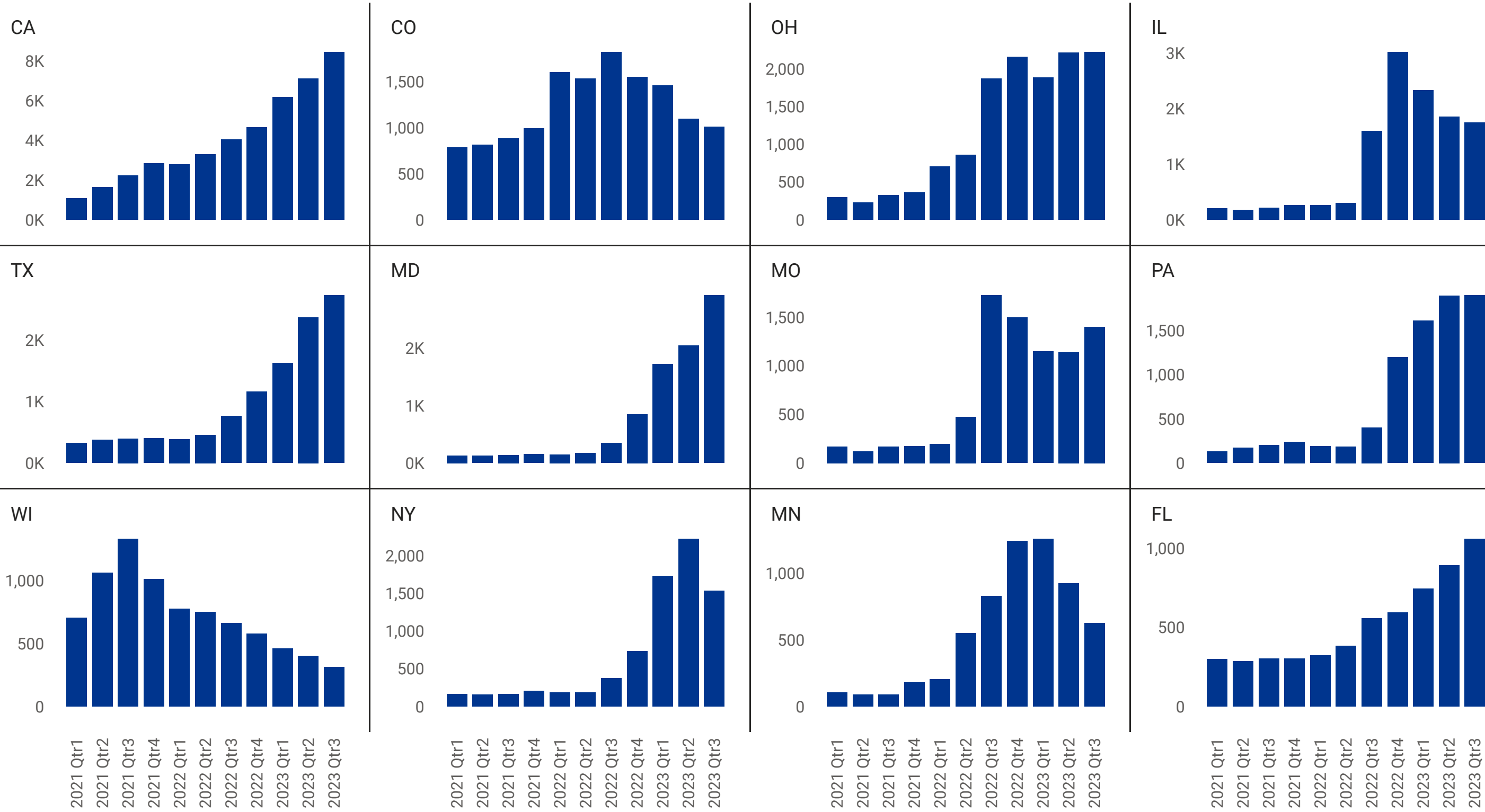


Figure 14: Kia/Hyundai theft claims reported to ClaimSearch 2021-2023 by Loss State

Sources

- 1. <https://www.cnn.com/2023/04/21/business/hyundai-kia-theft-recall-demand/index.html>
- 2. <https://www.jsonline.com/story/news/crime/2021/07/19/kia-hyundai-handing-out-free-steering-wheel-locks-through-end-year/7963950002/>
- 3. <https://www.thecut.com/2022/08/what-is-the-kia-boyz-tiktok-trend.html#Wait,%20Who%20Are%20The%20%E2%80%9CKia%20Boyz%E2%80%9D>



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