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## **More Than One in Four Auto Accidents Result in Injury Claims, IRC Study Finds**

### **Injury claims are common despite lower auto accident rates and fewer serious injuries**

**MALVERN, Pa.** – More than one in four auto accidents resulted in bodily injury liability (BI) claims in 2003, according to a recent study by the Insurance Research Council (IRC). The study, *Trends in Auto Injury Claims, 2004 Edition*, reveals that BI claim rates have remained high even though IRC research suggests that auto accident rates and the seriousness of auto injuries have decreased in recent years.

“Indicators such as extent of disability, days of restricted activity, and time lost from work tell us that auto accidents are producing fewer serious injuries. The good news is that auto safety campaigns and the manufacture of safer cars have made a difference,” said Elizabeth A. Sprinkel, senior vice president of the IRC. “Clearly, the injury liability claim rate is influenced by the attitudes and behaviors of auto accident victims, and that rate has increased over time,” said Sprinkel.

IRC’s recent study uses the ratio of BI claims for every 100 property damage liability (PD) claims to measure the likelihood that BI claims will be filed in auto accidents (PD claim rates approximate auto accident rates in the United States). In 1980, 17.9 BI claims occurred for every 100 PD claims—in other words, slightly fewer than one in five auto accidents produced BI claims that year. By 2003, the BI to PD ratio increased to 26.4. The 2003 ratio is an improvement over the ratio in 1995, however, when 29.5 BI claims occurred for every 100 PD claims.

The increase since 1980 in the BI to PD ratio is the result of opposing trends in BI and PD claim rates. From 1980 to 2003, the BI claim rate increased by 19 percent, to 1.05 BI claims per 100 insured cars. At the same time, the PD claim rate decreased by 20 percent, to 3.97 PD claims per 100 insured cars. The IRC’s latest report contains BI and PD claim rate information for all 50 states and shows that state claim rates vary widely.

**Insurance Research Council**

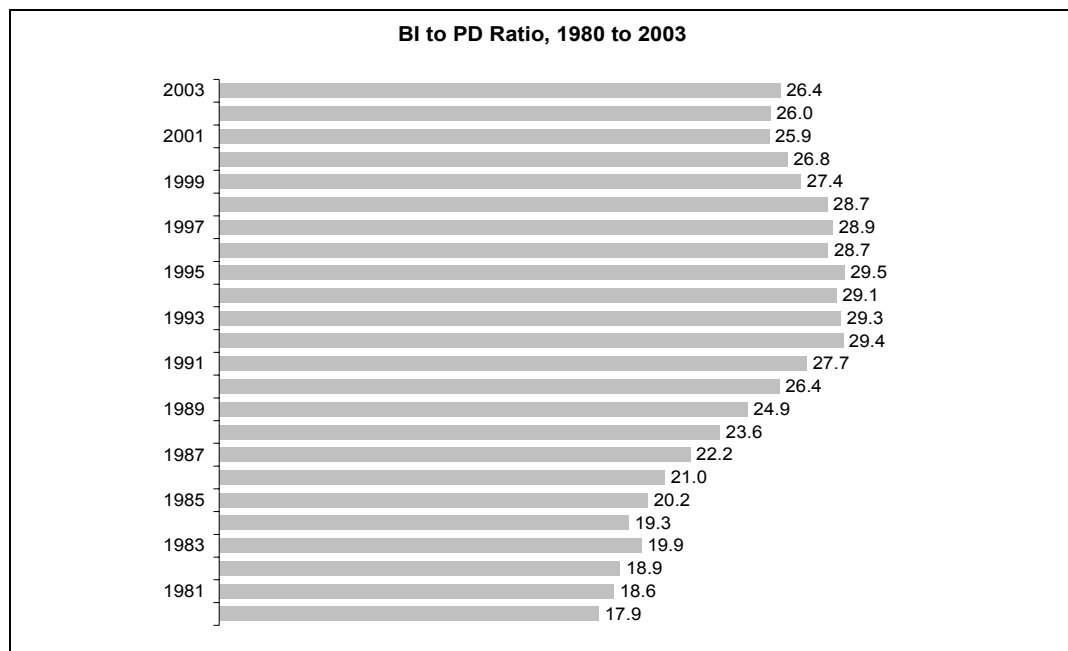
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[www.ircweb.org](http://www.ircweb.org)

People who are injured in auto accidents not only receive compensation for medical treatment and other accident-related expenses under the BI coverage, but also they receive compensation for the pain and suffering and emotional distress associated with their auto injuries. BI awards are paid by auto insurers of at-fault drivers. One reason that BI claim rates vary from state to state is differences in auto insurance laws. In no-fault states, for example, BI claims can be filed only when the cost for treatment of auto injuries exceeds a specific dollar amount in medical expenses or when a verbal description of injury-related impairment is met. Other states do not have these requirements.

For more detailed information on the methodology and findings of *Trends in Auto Injury Claims, 2004 Edition*, contact Elizabeth A. Sprinkel by phone at (610) 644-2212, ext. 7568; by fax at (610) 640-5388; or by e-mail at [irc@cpcuiia.org](mailto:irc@cpcuiia.org). Or visit IRC's Web site at [www.ircweb.org](http://www.ircweb.org). Copies of the study are available for \$250 each in the U.S. (\$265 elsewhere), postpaid from the Insurance Research Council, 718 Providence Road, Malvern, Pa. 19355-0725. Phone: (610) 644-2212, ext. 7569. Fax: (610) 640-5388.

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**NOTE TO EDITORS:** The Insurance Research Council is a division of the American Institute for CPCU and the Insurance Institute of America. The Institutes are independent, not-for-profit organizations dedicated to providing educational programs, professional certification, and research for the property-casualty insurance business. The IRC provides timely and reliable research to all parties involved in public policy issues affecting insurers and their customers. The IRC does not lobby or advocate legislative positions. It is supported by leading property-casualty organizations.



**PD Claim Frequency  
by State in 2003**

State	PD Claims per 100 Insured Cars
Massachusetts	7.33
Washington, D.C.	5.65
Rhode Island	5.24
Maryland	4.70
Louisiana	4.62
Georgia	4.51
Texas	4.50
New Hampshire	4.47
New York	4.40
Connecticut	4.32
California	4.20
Florida	4.02
Missouri	3.99
Illinois	3.96
Virginia	3.92
Delaware	3.87
Michigan*	3.79
Hawaii	3.79
Ohio	3.74
Nevada	3.71
New Jersey	3.70
Utah	3.68
Washington	3.58
Pennsylvania	3.58
Oregon	3.57
South Carolina	3.57

State	PD Claims per 100 Insured Cars
Arizona	3.56
Indiana	3.54
North Carolina	3.53
Nebraska	3.53
Oklahoma	3.52
Alaska	3.51
Kansas	3.41
West Virginia	3.40
Maine	3.39
Colorado	3.35
Vermont	3.35
Tennessee	3.28
Alabama	3.24
Kentucky	3.19
Arkansas	3.19
New Mexico	3.16
Minnesota	3.16
Iowa	3.04
Mississippi	3.01
North Dakota	2.94
Montana	2.83
Wisconsin	2.82
Idaho	2.77
South Dakota	2.69
Wyoming	2.49
Countrywide	3.97

\* Because Michigan does not have conventional PD coverage, countrywide PD data as reported in Fast Track Monitoring System are used for Michigan.

**BI Claim Frequency  
by State in 2003**

State	BI Claims per 100 Insured Cars
Massachusetts	2.55
Louisiana	2.14
Rhode Island	1.84
Washington, D.C.	1.63
Nevada	1.56
Maryland	1.43
Connecticut	1.38
Oregon	1.36
South Carolina	1.36
Washington	1.35
Texas	1.33
Arizona	1.32
Oklahoma	1.27
California	1.22
North Carolina	1.22
Delaware	1.20
Georgia	1.18
New Mexico	1.16
West Virginia	1.15
Arkansas	1.05
Virginia	1.00
Ohio	1.00
Missouri	0.95
Mississippi	0.94
Montana	0.94
Utah	0.92

State	BI Claims per 100 Insured Cars
Illinois	0.91
Florida	0.89
Alaska	0.87
Idaho	0.85
New Hampshire	0.83
New York	0.82
Tennessee	0.82
Maine	0.81
Indiana	0.81
Nebraska	0.79
New Jersey	0.75
Alabama	0.73
Wisconsin	0.73
Vermont	0.71
Kentucky	0.62
Pennsylvania	0.60
Iowa	0.60
South Dakota	0.58
Wyoming	0.54
Colorado	0.42
Kansas	0.34
Hawaii	0.31
Minnesota	0.30
Michigan	0.18
North Dakota	0.16
Countrywide	1.05