

DECEMBER 2021

CCC  
TRENDS

COLLISION REPAIR  
INDUSTRY UPDATE  
2021

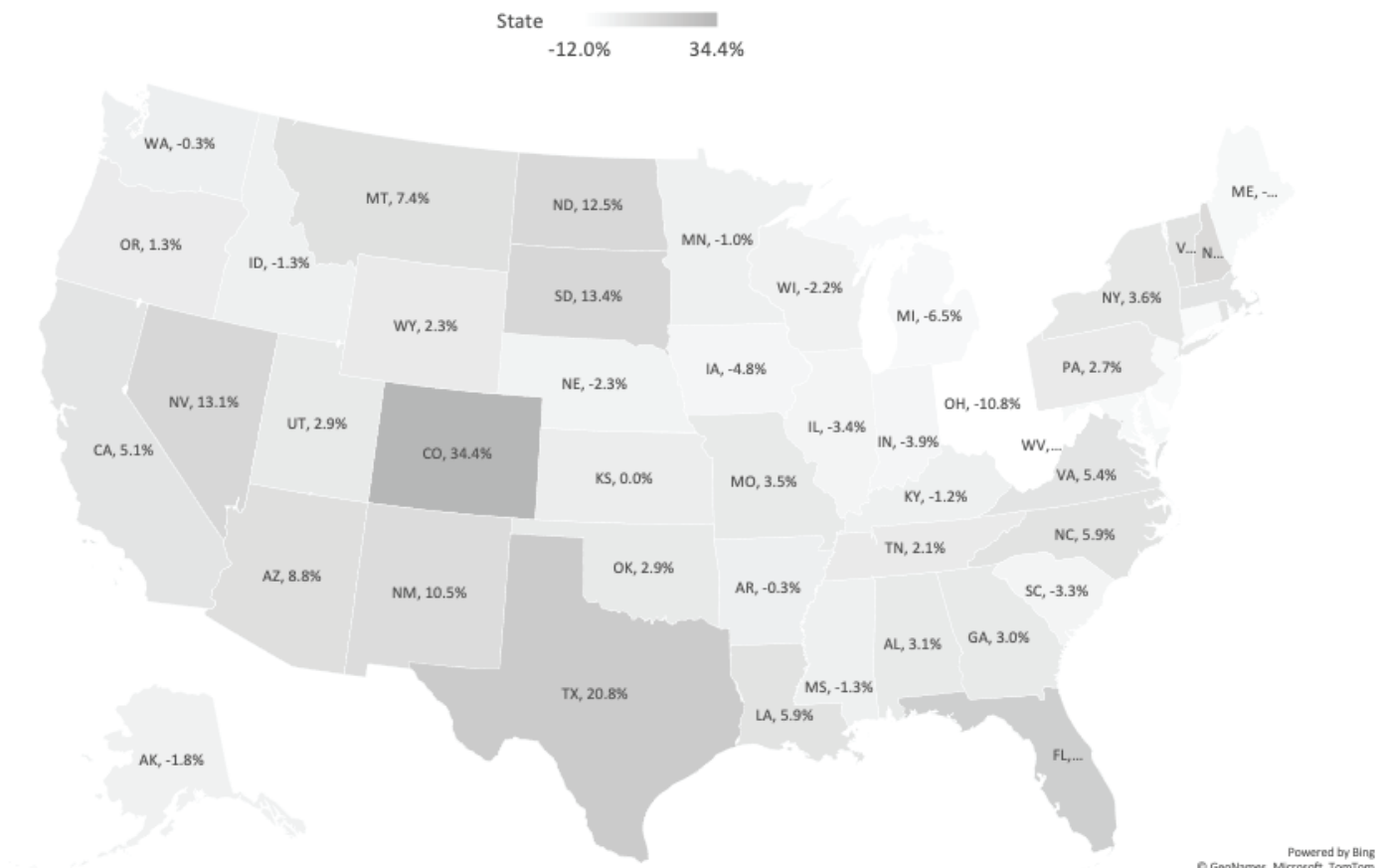


Over the last two years, the collision repair industry has faced an environment of fewer repairs, increased technician shortages, growing vehicle complexity, and increased demand among customers for a digitized experience. The collision repair industry also continues to see increased consolidation across all parts of the industry, as demands for capital investment for training and equipment grows. In this month's article, we'll explore the industry's ongoing transformation.

As of CY 2020, the Romans Group estimates there are 31,400 collision repair locations in the U.S. The number of repairers has fallen with the pandemic, consolidation, and other factors. In fact, overall growth within the segment over the last fifteen years has seen a compound annual growth rate of -0.5 percent.<sup>1</sup> Yet on a state-by-state basis, not all states in the U.S. have seen their population of collision repairers decline. Data from CRASH Network's analysis of U.S. Census Bureau data shows states with some of the most significant growth in resident population have seen the largest growth in shop counts between CY 2009 and CY 2019 (see Figure 1).<sup>2</sup>

## Figure 1: Percent Change in U.S. Collision Repair Facility Count by State CY 2009 to CY 2019

SOURCE: CRASH NETWORK ANALYSIS OF U.S. CENSUS BUREAU DATA

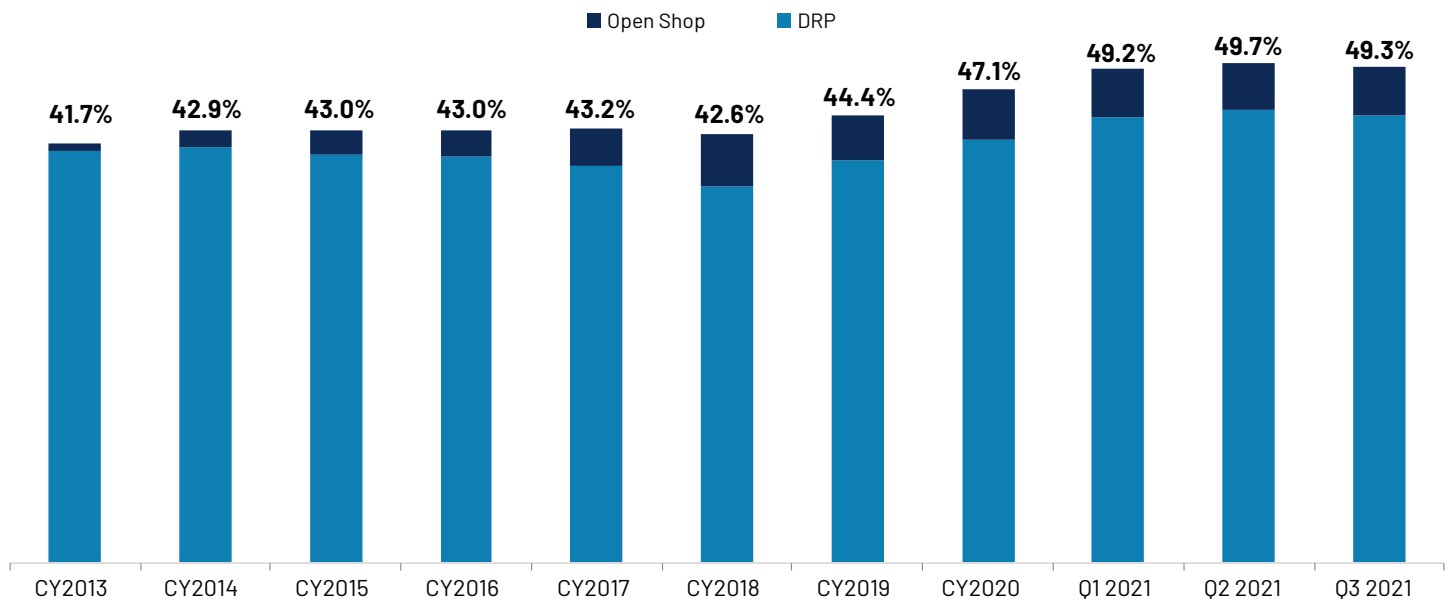


In CY 2019, independent repairers and dealer body shops completed \$41B in collision repair work; a number estimated to have fallen to \$34.6 billion in CY 2020.<sup>3</sup> On an individual shop basis however, the Romans Group estimates revenue per location has grown from \$666K in CY 2006 to \$1.1M in CY 2020.<sup>4</sup> Nearly 90 percent of the overall collision repair industry revenue is from insurance paid work, where the customer has made an insurance claim, while the remaining 10 percent is consumer paid out-of-pocket with no insurance claim.<sup>5</sup> Pre-COVID-19, CCC estimates that just over 22 million vehicles had an auto claim annually in the U.S.

In Q3 2021, 49.3 percent of the damage appraisals for vehicle auto claims processed by CCC on behalf of its insurance and collision repair customers were generated at a shop on behalf of an insurance company as either a DRP or Open Shop appraisal (see Figure 2). Both Open Shop and DRP share of volume has grown steadily after falling some in CY 2018.

**Figure 2: Repairer Generated Appraisal Volume – Share of CCC National Industry Repairable Volume (All MOI) CY 2013–CY 2021**

SOURCE: CCC INTELLIGENT SOLUTIONS INC.

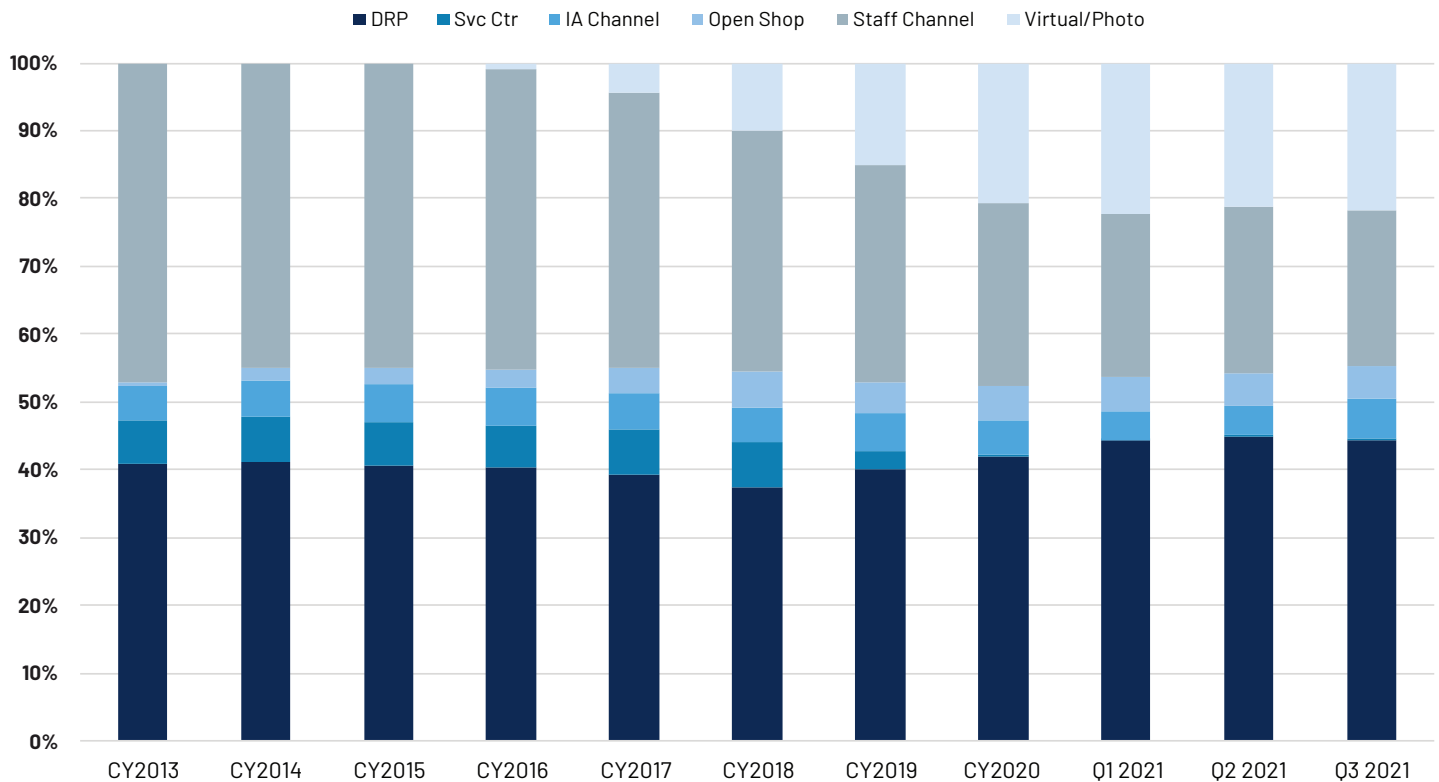


Yet among all methods of inspection used to produce the vehicle appraisal, the photo/virtual method of inspection has also seen significant growth over the last four years (see [Figure 3](#)).

In CY 2021, CCC data shows that shops increased the number of insurer programs in which they participated, either as part of an insurer’s Open Shop (demand estimate) or direct repair program (DRP). In CY 2008, shops using CCC ONE participated in just over three insurance DRPs, and by CY 2021 that number grew to 5.3 insurance DRPs. For combined DRP and Open Shop program, that number grew to nearly 8 insurer programs (see [Figure 4](#)).

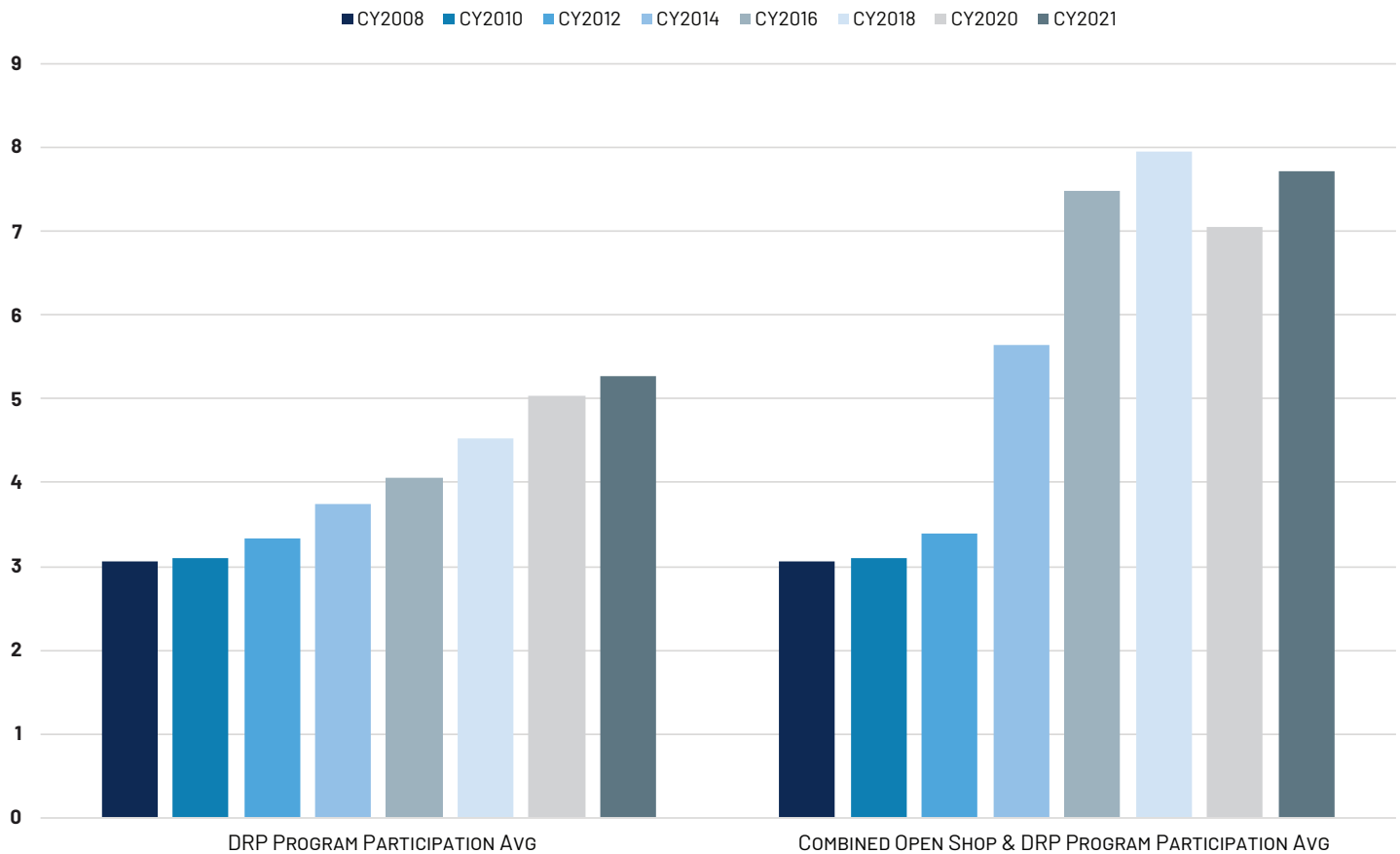
**Figure 3: CCC National Industry Repairable Appraisal Volume – Share per Method of Inspection**

SOURCE: CCC INTELLIGENT SOLUTIONS INC.



## Figure 4: Average Number of Insurer Appraisal Programs Participated In by Collision Repairers CCC National Industry CY 2008 to CY 2020

SOURCE: CCC INTELLIGENT SOLUTIONS INC.

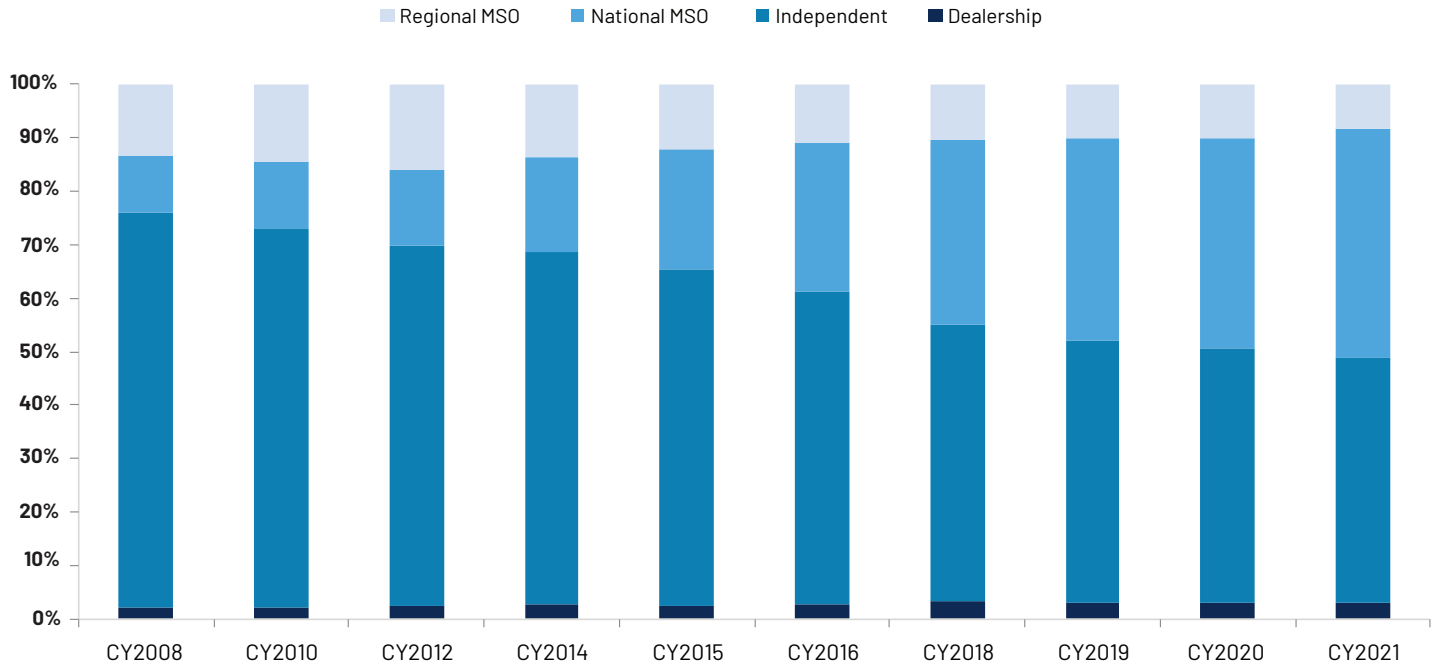


Analysis of just DRP overall uploaded appraisal volume from CY 2008 to CY 2021 by shop type reveals National MSO's (repairers with more than 25 locations) continue to see significant growth in volume share, growing from 10.7 percent to 42.8 percent (see [Figure 5](#)). As National MSO's have increased the number of insurer DRPs in which they participate (see [Figure 6](#)), it's not surprising their share of DRP volume has also grown. In CY 2008, National MSO's on average participate in 6.6 insurance DRPs; by CY 2021 that number grew to just below thirteen.

When DRP appraisal volume overall is segmented into two groups - volume from the top 25 personal auto insurers versus volume from all other personal auto insurers and segmented further by shop type it reveals National MSO share of volume for the largest carriers is significantly higher than for the remaining carriers. On the other hand, independents' share of DRP volume for carriers outside the top 25 was 63.8 percent versus 44.1 percent for the top 25 insurers (see [Figure 7](#)).

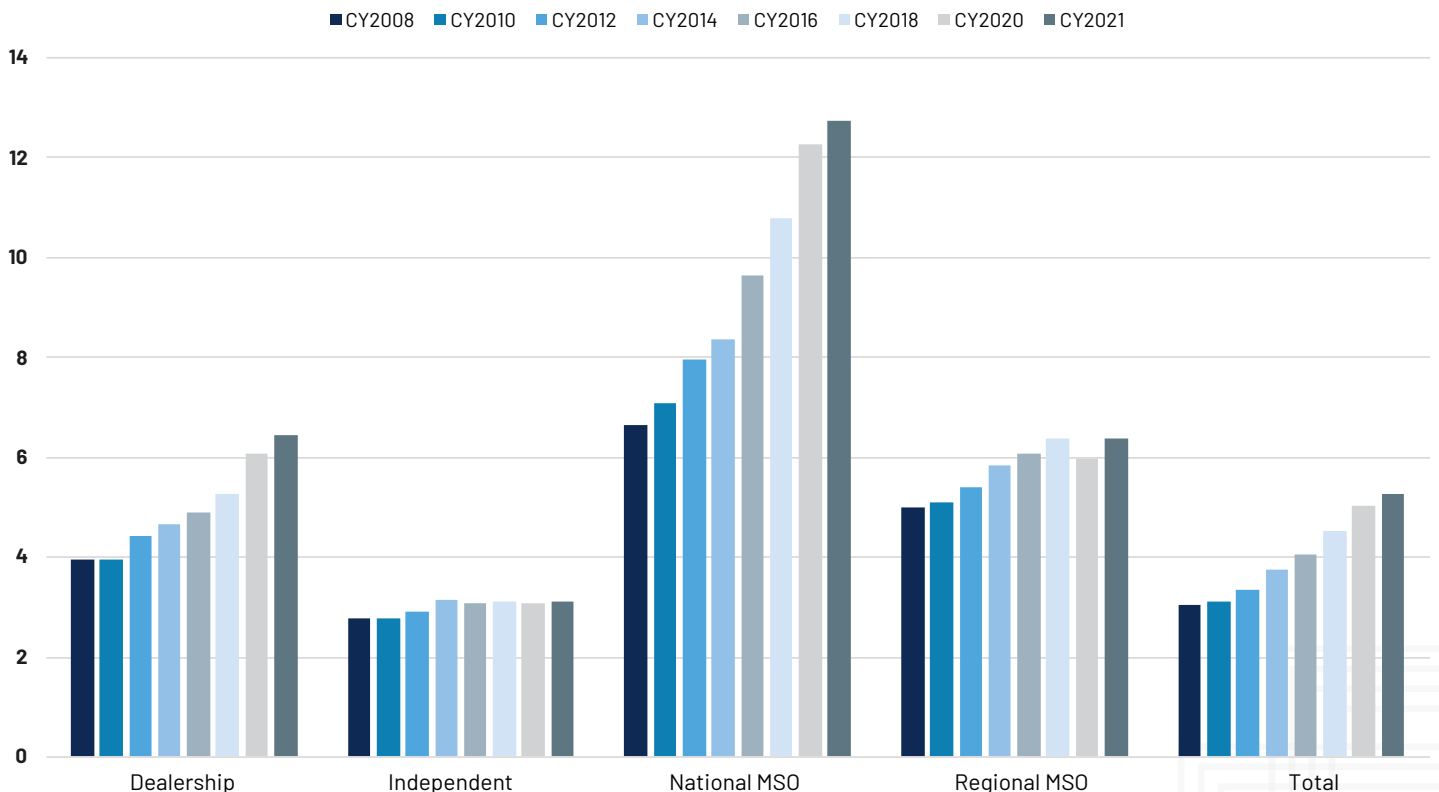
**Figure 5: Share of CCC National Industry Annual Uploaded DRP Appraisal Count**

SOURCE: CCC INTELLIGENT SOLUTIONS INC.



**Figure 6: Average Number of Direct Repair Programs Repairers Participate in by Shop Type CCC National Industry CY 2008 to CY 2020**

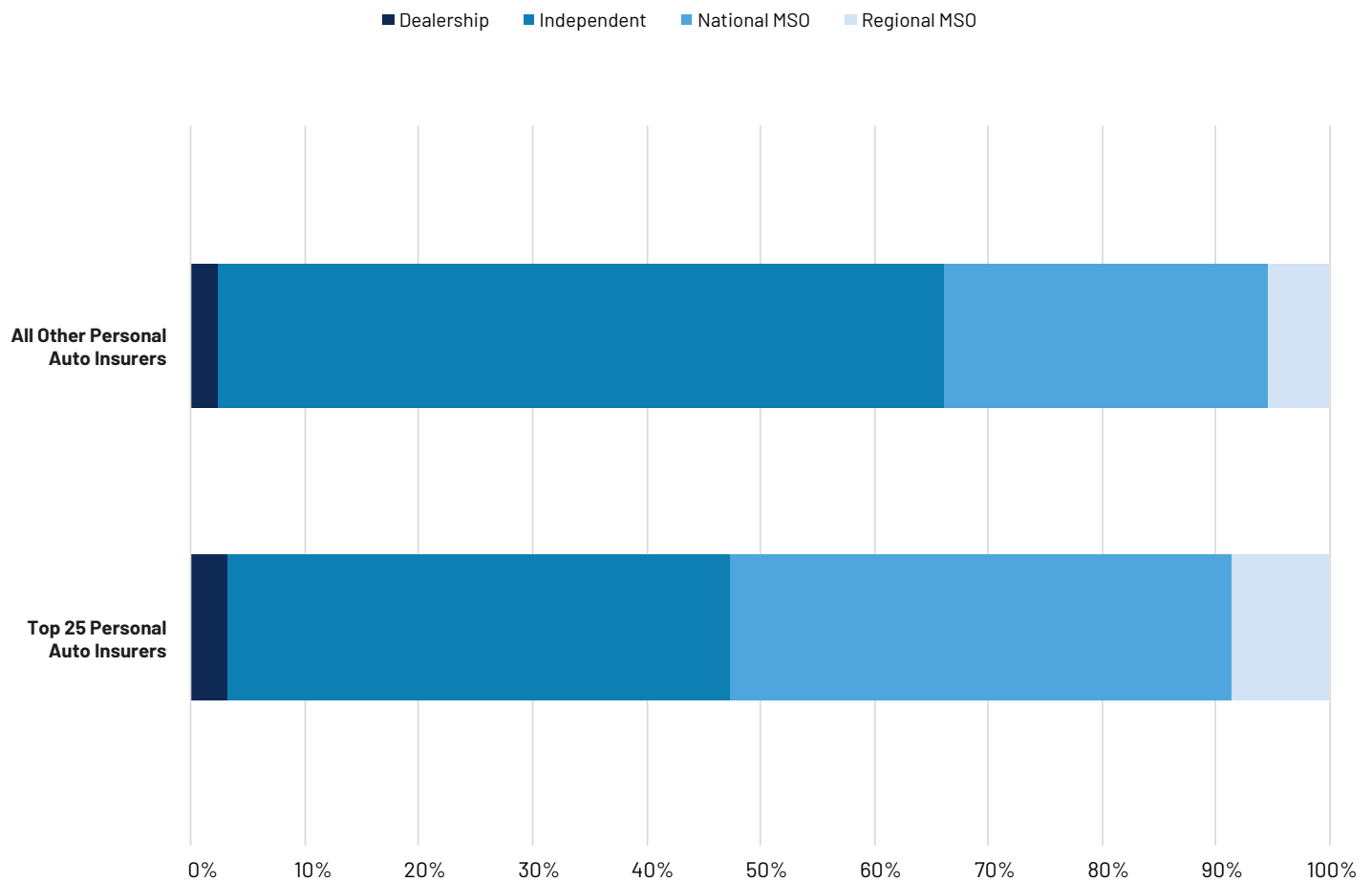
SOURCE: CCC INTELLIGENT SOLUTIONS INC.



Market share for both the largest insurers and largest repairers has grown steadily over the last several years. In CY 2021, 88.4 percent of U.S. personal auto insurance direct premium was underwritten by the top 25 carriers, up from 76.5 percent in CY 2020 (see [Figure 8](#)). Within the collision repair segment, over 40 percent of CY 2020 collision repair revenue came from repairers with over \$10 million in annual revenue, with over 30 percent of the 40 percent coming from repairers with annual revenue of \$20 million or more.<sup>6</sup> And, consolidation in both markets has continued in the last year, with numerous acquisitions within the property casualty insurance space, and nearly 250 collision repair locations acquired by the large multi-location operators.<sup>7</sup>

### Figure 7: CY 2021 Top 25 Personal Auto Insurers (based on premium) versus All Other Personal Auto Insurers Share of CCC National DRP Industry Overall Appraisal Count by Shop Type

SOURCE: CCC INTELLIGENT SOLUTIONS INC.

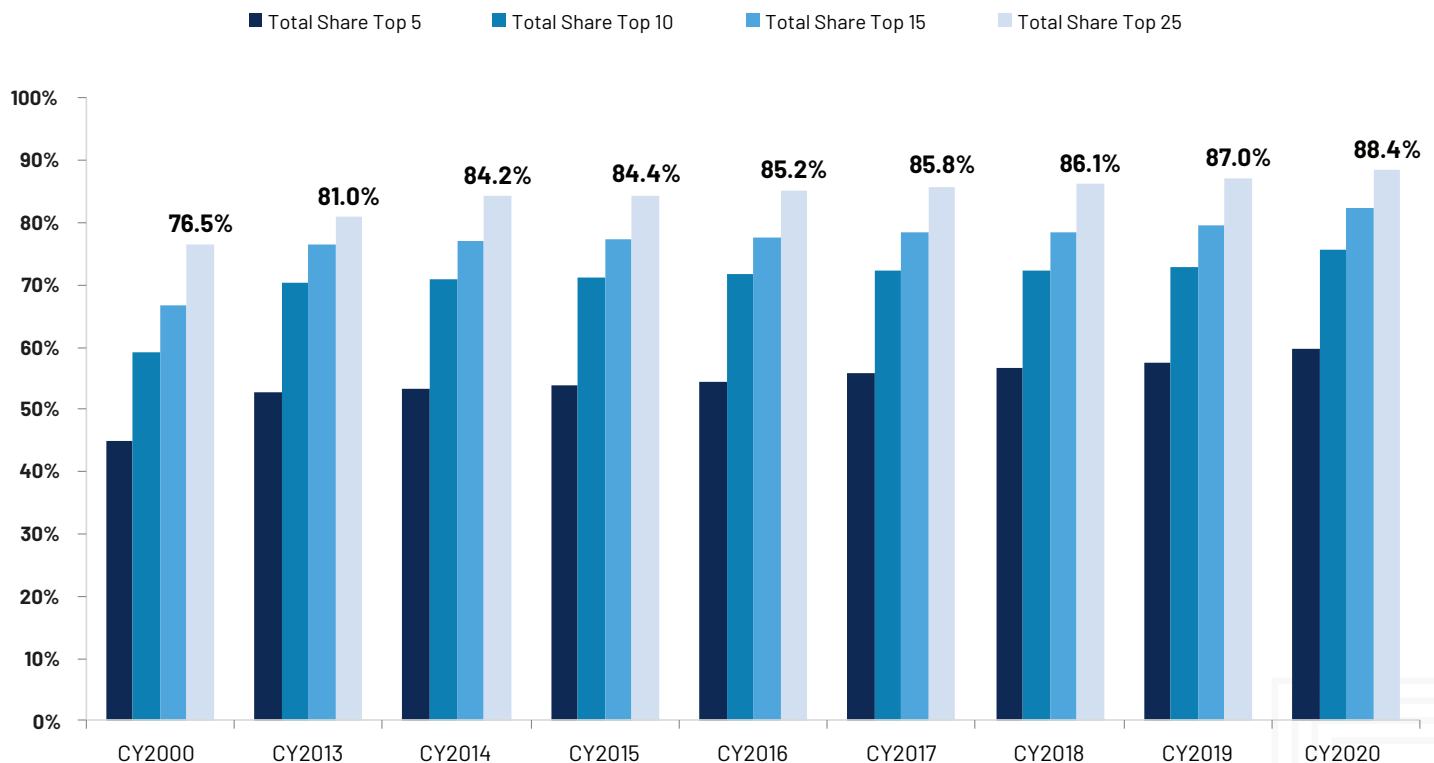


A recent DealerRater Survey conducted for Fixed Ops Journal revealed the number one reason why consumers chose a particular body shop to repair their car was 'proximity to home or office' followed by 'online reviews/word-of-mouth'<sup>8</sup> (see Figure 9). Repair cost and deductible amount may also play a factor. Data from CCC shows DRP share of repairable appraisal volume for first party collision losses climbs as the repair cost climbs, while Photo MOI falls (see Figure 10). Additionally, while consumers over time have shifted to higher dollar deductible levels (see Figure 11), the difference among deductible amount distribution for claims appraised at a DRP versus Photo MOI might suggest consumers with lower deductible amounts have a stronger intent to repair their vehicles from the outset and subsequently take their vehicle to the shop from the start (see Figure 12).

Understanding the dynamics that ultimately drive a customer to choose one repairer over another is just one of the challenges repairers face in today's environment. It may be time for repairers to evaluate whether additional segmentation of repairs and customer engagement processes might lead to higher capture rates and revenue in the future.

## Figure 8: Share of U.S. Personal Auto Insurance Direct Premiums Written

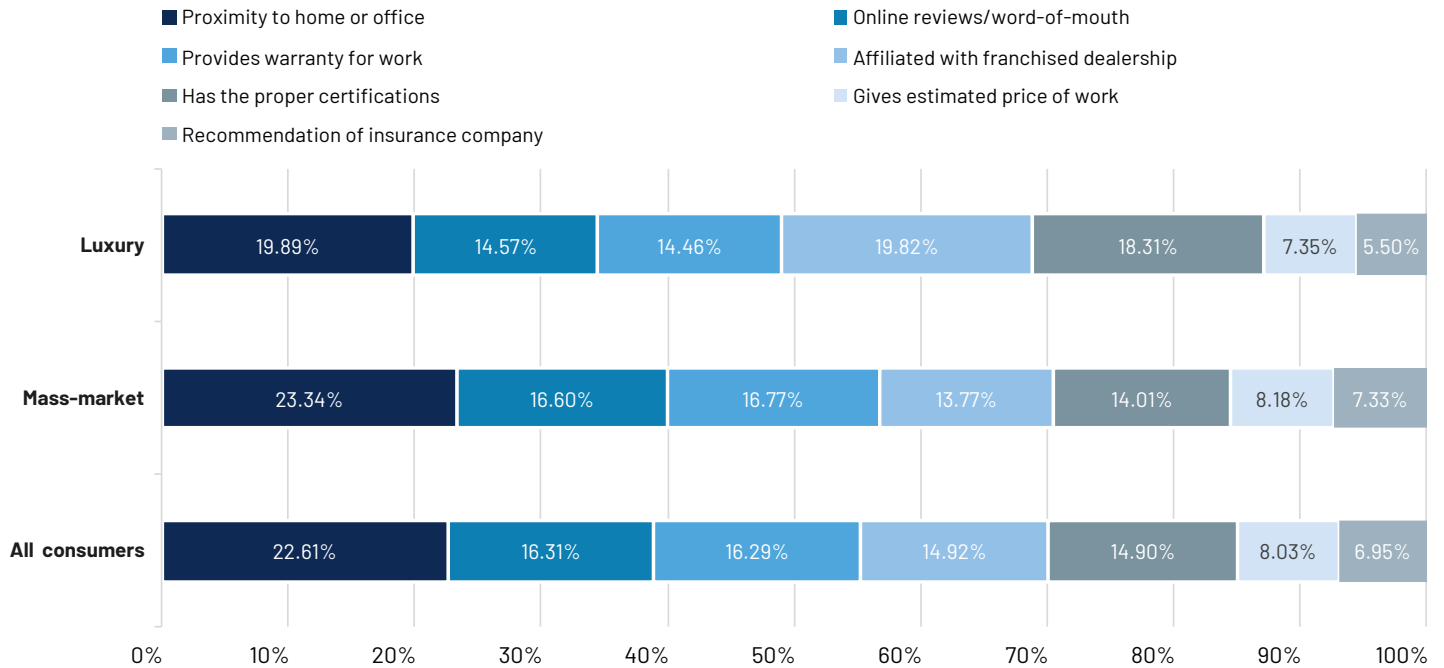
SOURCE: NAIC AND AUTO INSURANCE REPORT





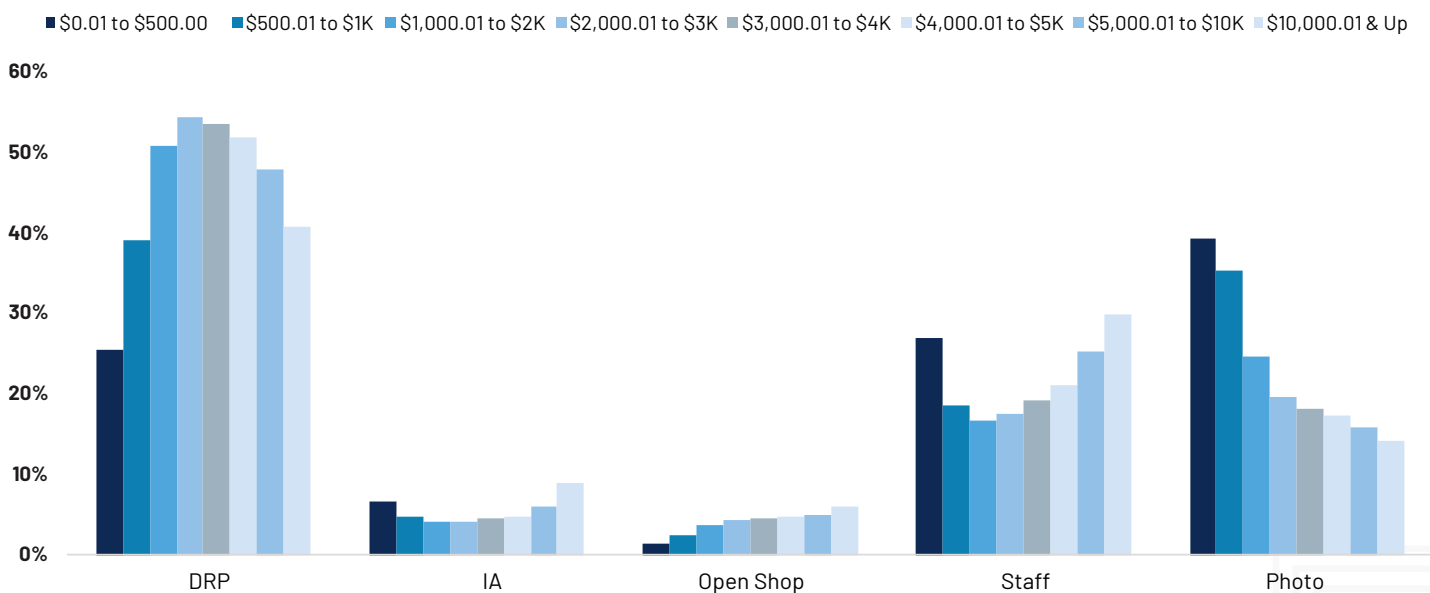
## Figure 9: Q: When considering which body shop to have your car repaired at, what is the most important factor in your decision? Figures indicate percentage of consumers who cited that factor as their main reason.

SOURCE: SOURCE: "CUSTOMERS STAY CLOSE TO HOME FOR REPAIRS." FIXED OPS JOURNAL, OCTOBER 10, 2021.



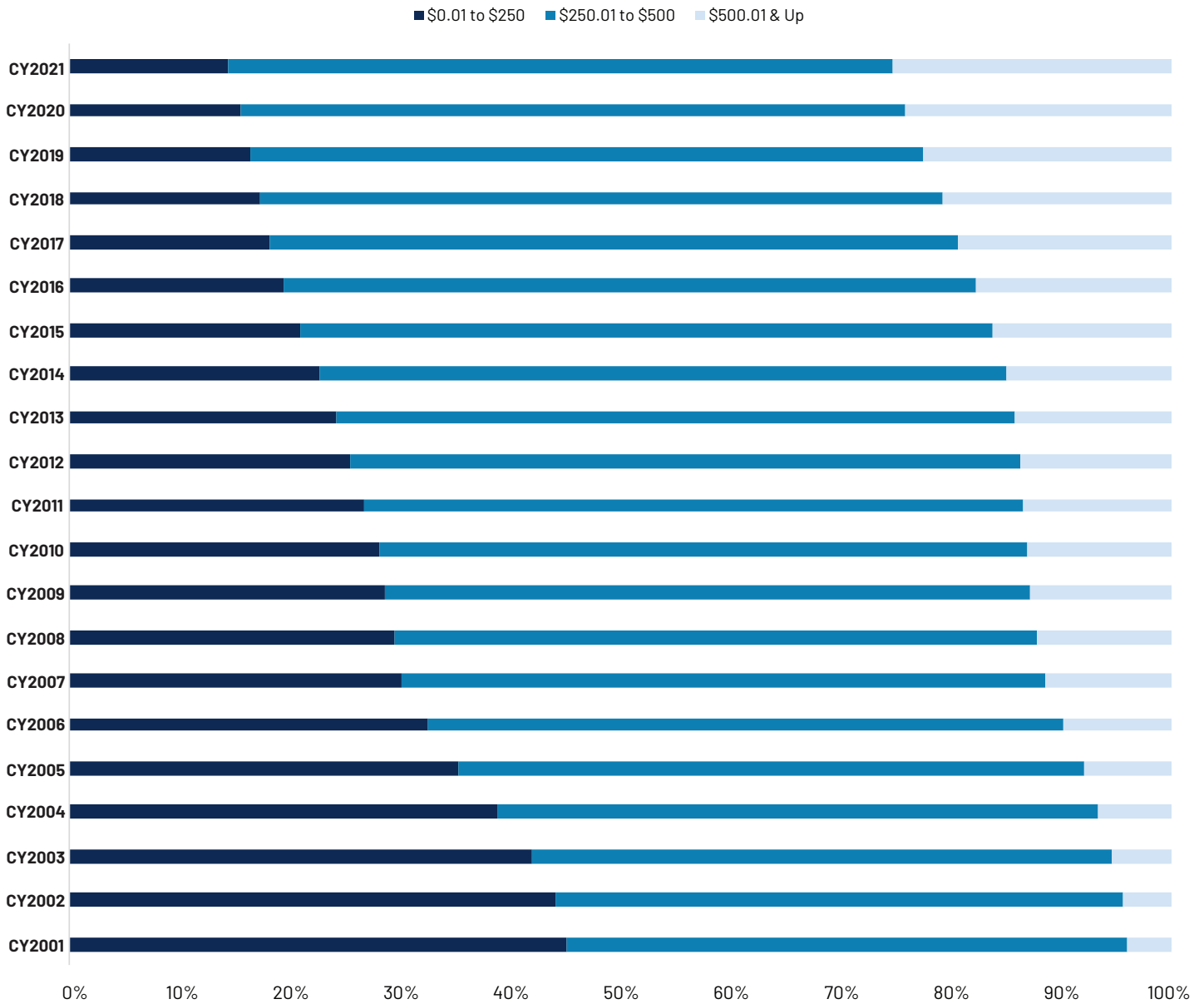
## Figure 10: CY 2021 Share of CCC National Industry Repairable Appraisal Volume By Method of Inspection and Repair Cost Dollar Range

SOURCE: CCC INTELLIGENT SOLUTIONS INC.



# Figure 11: Share of First Party Collision APD Losses by Deductible Ranges CCC National Industry Overall Vehicle Appraisal Volume CY 2001 to CY 2021

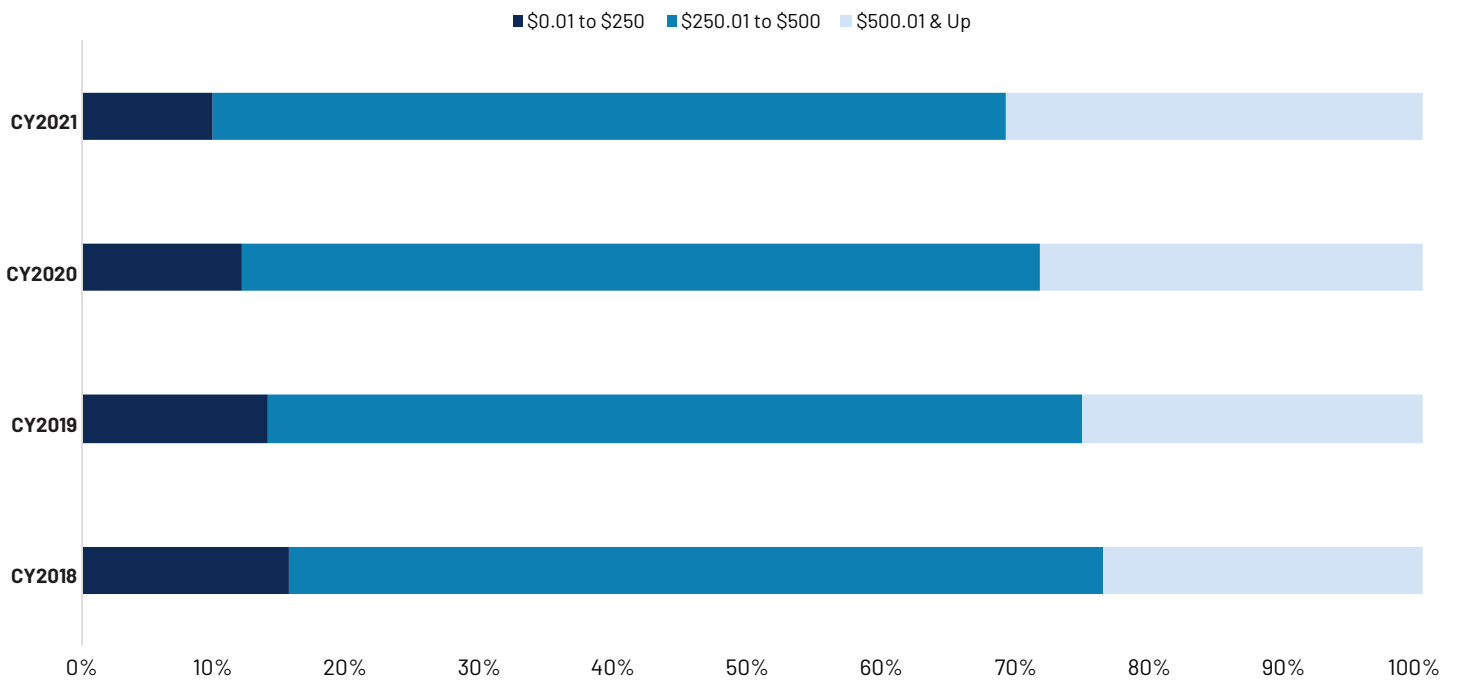
SOURCE: CCC INTELLIGENT SOLUTIONS INC.



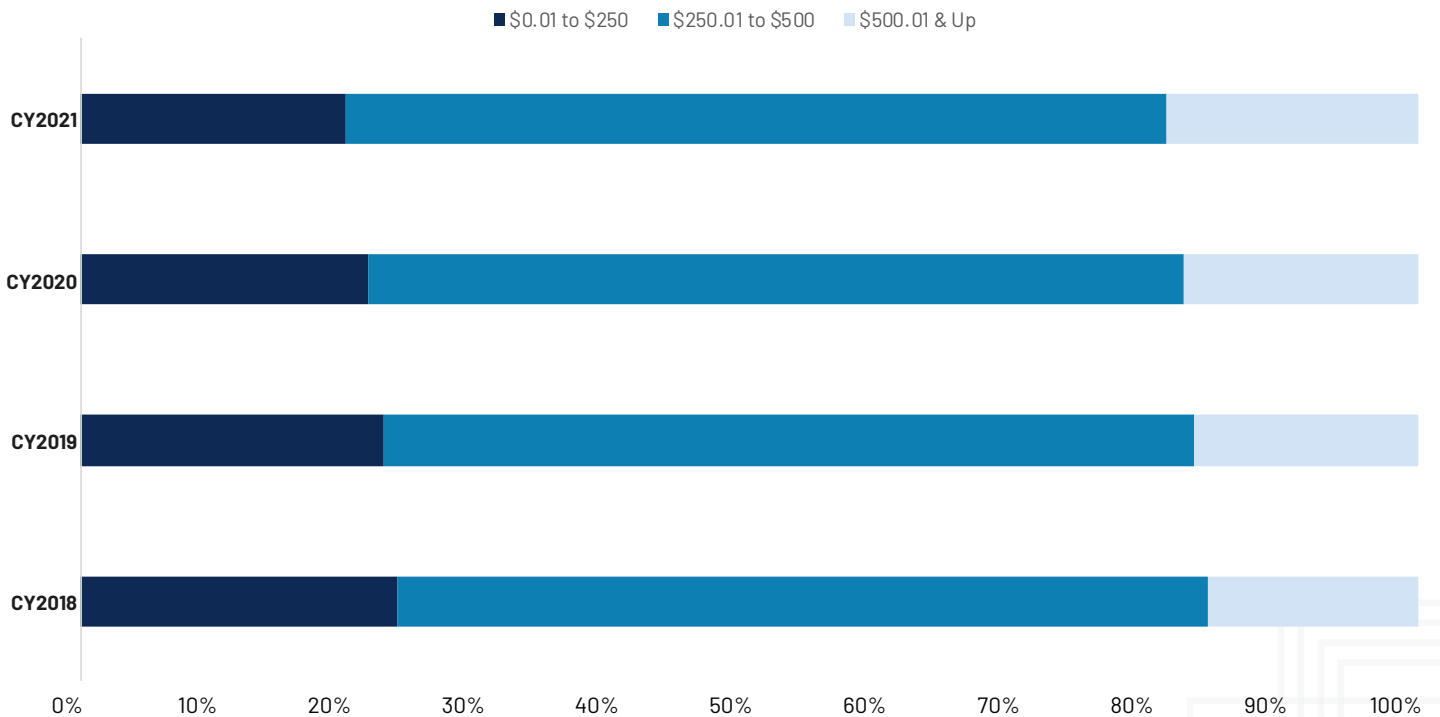
## Figure 12: Deductible Amount May Impact Consumer MOI Choice

SOURCE: CCC INTELLIGENT SOLUTIONS INC.

Photo MOI Share of First Party Collision APD Losses by Deductible Ranges  
 CCC National Industry Overall Vehicle Appraisal Volume  
 CY 2018 to CY 2021



DRP MOI Share of First Party Collision APD Losses by Deductible Ranges  
 CCC National Industry Overall Vehicle Appraisal Volume  
 CY 2018 to CY 2021



# CCC TRENDS SOURCES

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1. Auto Care Association. "Auto Care Factbook 2020." Page 55. Bethesda, MD: 2020.
2. Mike Anderson. "Industry Update." May-June 2021. Data from CRASH Network analysis of U.S. Census Bureau data.
3. Vincent Romans. MSO Symposium presentation, Las Vegas, NV, November 1, 2021.
4. Ibid.
5. Vincent Romans. "Advancing Our Insights Into The Collision Repair Marketplace." MSO Symposium presentation, Las Vegas, NV, November 4, 2019
6. Vincent Romans. MSO Symposium presentation, Las Vegas, NV, November 1, 2021.
7. Ibid.
8. Customers stay close to home for repairs." Fixed Ops Journal, October 10, 2021.



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