



For  
Insurance

# Vehicle History Data for Insurance Underwriting

Drive your decision making with the most trusted and comprehensive source of vehicle history information in Canada.

## ► Ownership data

Knowing the ownership history, length of ownership, and vehicle/registration type, is a very powerful predictor of future losses, and can help to fine tune your rating variables.

### **Ownership history**

Studies show that vehicles with multiple owners lead to more losses and lower valuations

### **Length of ownership**

Loss ratio improves based on a longer duration of ownership

### **Ownership type**

Rental, fleet, commercial, and lease vehicles have a higher propensity for future loss and may be misrepresented as personal vehicles



To learn more about our solutions:

talk to your CARFAX Canada rep or

email [BIG@carfax.ca](mailto:BIG@carfax.ca)

## ► Mileage data

CARFAX Canada vehicle history data includes independently reported odometer readings from thousands of dealerships, service shops and repair facilities. This mileage data allows you to extrapolate annual mileage and average kilometers driven, and verify self-reported mileage and road exposure. Together, these data points help to identify potential odometer problems, and assist in properly rating and pricing policies.

### **Annual mileage**

Nearly 75% of vehicles that drive over 32,000 km annually are improperly rated due to inaccurate annual mileage

### **Self-reported mileage**

On average, self-reported annual mileage is almost 10,000 km less than the actual mileage - a misrepresentation that leads to improper ratings

### **Odometer rollbacks**

There are an estimated 192,000+ vehicles on the road in Canada that have odometers that have been tampered with.<sup>1</sup> These odometer problems can increase exposure to losses and negatively impact valuations.

## ► Damage history data

CARFAX Canada's damage history data can help to mitigate risk during the underwriting process, and more accurately assess a vehicle's insurability by flagging minor damage, as well as severe problems such as accumulated accident damage over specific thresholds, fire or flood damage, title branding, and stolen status.

### **Accident data**

Vehicles with prior damage are generally more expensive to repair and have higher loss ratios

### **Flooded vehicles**

Structural, mechanical and electronic components may become compromised and can lead to a future claim

### **Title branding**

Immediately identify titles such as salvage or rebuilt, which may be ineligible for coverage

### **Minor damage**

Vehicles with minor damage, such as hail or vandalism, often end up having higher losses, and the more minor damage events in a vehicle's history, the worse its loss performance

Unless otherwise specified, the stats and information referenced in this document are based on the experience of the CARFAX Banking & Insurance Group in the U.S. and reflect U.S. results only.

<sup>1</sup>Based on CARFAX Canada analysis, October 2021