

Industry Trends Report

FEATURED IN THIS ISSUE:

What's Driving the Costs to Repair Today's Top Selling Car?

By **Greg Horn**

Vice President of Industry Relations, Mitchell





mitchell

Industry Trends Report

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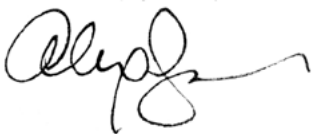
Today's Cost Drivers, Tomorrow's Implications

Welcome to the Q2 Edition of the 2015 Auto Physical Damage Mitchell *Industry Trends Report*. In this issue, we continue to examine parts prices from another angle by looking into the driving factors behind increasing collision repair costs.

In our feature article on page 4, *What's Driving the Costs to Repair Today's Top Selling Car*, author Greg Horn looks at four top selling mid-size sedans to determine which is the most expensive to repair and why.

We've been having discussions internally and with our customers about how to manage the ever growing complexity of vehicles for some time now and I always find this topic incredibly fascinating. By drilling down into what makes up the estimate, Greg is able to pinpoint key drivers of expense and how parts choice makes an impact. As vehicle complexity increases from software and electronics to advanced material choices, it's becoming even more important to understand how these are impacting the repair process.

In each issue, we look to explore the latest trends and provide actionable insights to help you improve your business. I hope you enjoy this quarter's articles and thank you for your continued readership of the *Industry Trends Report*.



Alex Sun
President and CEO
Mitchell



Alex Sun
President and CEO, Mitchell

Industry Trends Live

[Sign up](#) to hear a live presentation of the trends presented in this report from Editor-in-Chief, Greg Horn.

Don't miss the chance to get the inside scoop!

What's Driving the Costs to Repair Today's Top Selling Car?

By Greg Horn

Vice President, Industry Relations, Mitchell



Legendary GM stylist Harley Earl is credited with creating the annual model year change in vehicle styling; helping fuel sales by tapping into the consumers desire to have the latest thing.

We are seeing an increase in average repair severity across the U.S. and Canada, and that increase has the industry focusing on what is driving that increase. Looking at the three components of an estimate—parts, labor and paint and materials—helps us find the underlying drivers to overall average severity. But focusing in on particular vehicles and their place in the life cycle of that body

style can provide additional insight. The life cycle of vehicle styling has always fascinated me. At the dawn of vehicle mass production we didn't have model year-based styling. Legendary GM stylist Harley Earl is credited with creating the annual model year change in vehicle styling, helping fuel sales by tapping into the consumers' desire to have the latest thing. The strategy worked well, and old

car buffs recognize changes to grilles and lamps as a determiner of model year. European manufacturers never bought into this idea and their vehicles, most notably the original Volkswagen Beetle, appeared never to change styling. In fact, one of the few ways to tell a 1959 Beetle from a 1960 model year is that the color of the Wolfsburg badge on the hood changed from blue to black.

Annual styling changes are expensive, and there is a thought that they had a detrimental impact on resale value. So domestic manufacturers now have lengthened their model styling from four to six years with a modest face lift of the grille and other plastic components to freshen their offerings. Longer product cycles also benefit aftermarket and salvage parts, as the aftermarket companies can make a part that will fit a larger potential population and that domestic used hood can fit four to six model years when it would have only fit one year back in the 1960s.

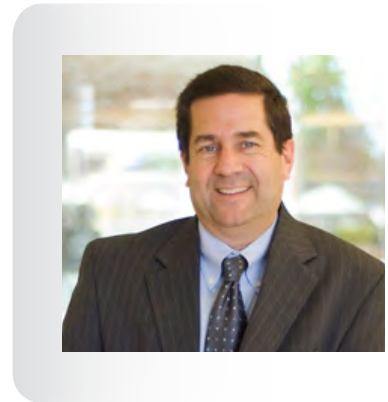
We have selected four very popular 2012 model year mid-size sedans for our comparison for this article at various ages in their styling life cycle. We surveyed all repairable estimates for the 2014 calendar year. The VW Passat was newly introduced in 2012 and the

2012 Ford Fusion was in its last year of styling before the radical restyle of 2013. The 2012 Malibu, like the Fusion, was also in its last year of styling cycle and the 2012 Camry was a carry-over to the 2013 model year.

In looking at overall repair cost, the mid-cycle Camry has the highest repair cost on average of the four surveyed vehicles with the all-new for 2012 Passat second place with the two end-of-cycle vehicles coming in third and fourth place. When we look at part utilization by part type (percent of parts dollars by part type) we see that in the 2014 estimating year the vehicles with the highest OEM part dollars were the all-new for 2012 Passat and the mid-cycle Camry. The two vehicles in their last year of cycle had the lowest OEM parts spend, validating that styling life cycle influences part choice and availability.

Vehicle	Average Repair Cost
2012 Camry	\$2,882.32
2012 Fusion	\$2,489.70
2012 Malibu	\$2,536.89
2012 Passat	\$2,718.05

About the author...



Greg Horn
Vice President, Industry Relations, Mitchell

Greg Horn joined Mitchell in September of 2006 as Vice President of Industry Relations.

In this role, Greg assists the Mitchell sales force in providing custom tailored business solutions to the Property and Casualty Claims and Automotive Collision Repair industries.

Prior to joining Mitchell, Greg served as Vice President of Material Damage Claims at GMAC Insurance, where he was responsible for all aspects of the physical damage claims process and the implementation of a unique vehicle replacement program along with serving on the General Motors Safety Committee. Prior to GMAC, Greg served as Director of Material Damage Processes for National Grange Mutual in Keene, NH.

Parts are only a part of the estimate, but they are the only portion of the estimate that is not subject to a labor guide or local repair hour standard.

What I mean by that is that replace labor times and refinish times are dictated by the Mitchell information database. Those times are based on time studies and OEM information. Repair time is based on an agreement between the estimator and repairer on the amount of labor it will take to straighten a panel.

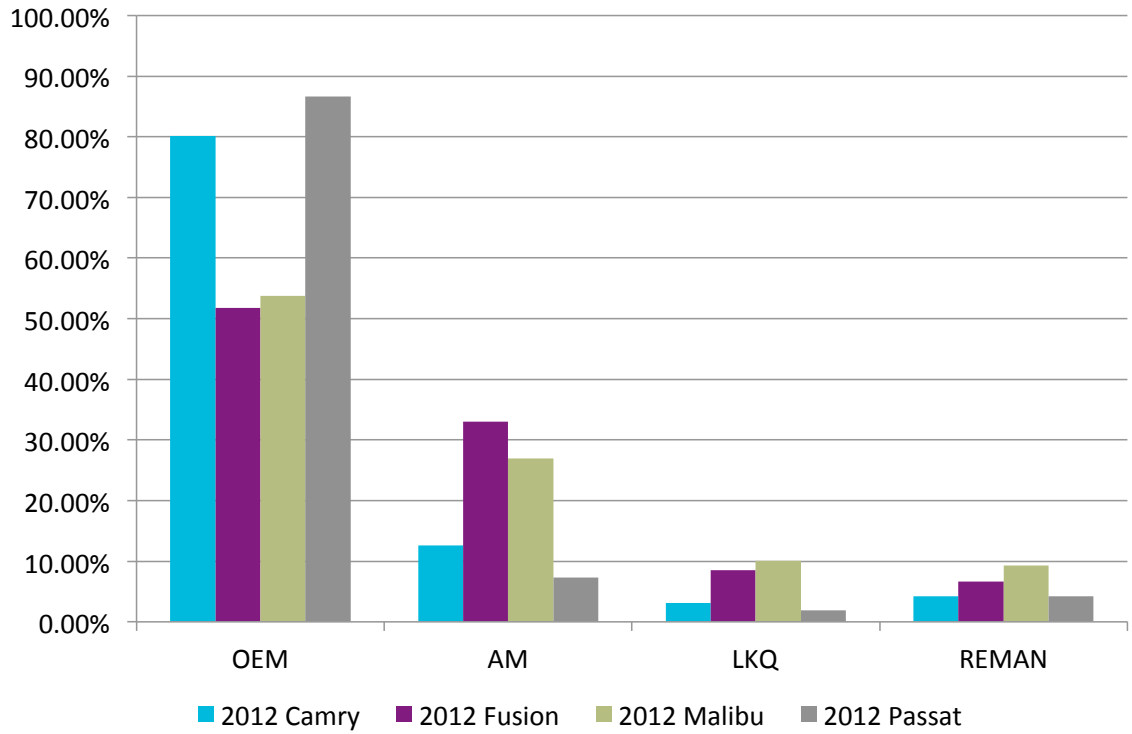
So, when we look at labor hours (both repair and replace) and refinish materials costs, we see that in somewhat of a contrast to parts performance, the newest styled vehicle does not have the highest pricing, the mid-cycle Camry does. However, the Fusion with the lowest parts cost also has the lowest overall labor and refinish costs.

What conclusions can we draw from this? The data seem to show that when a vehicle enters the end of

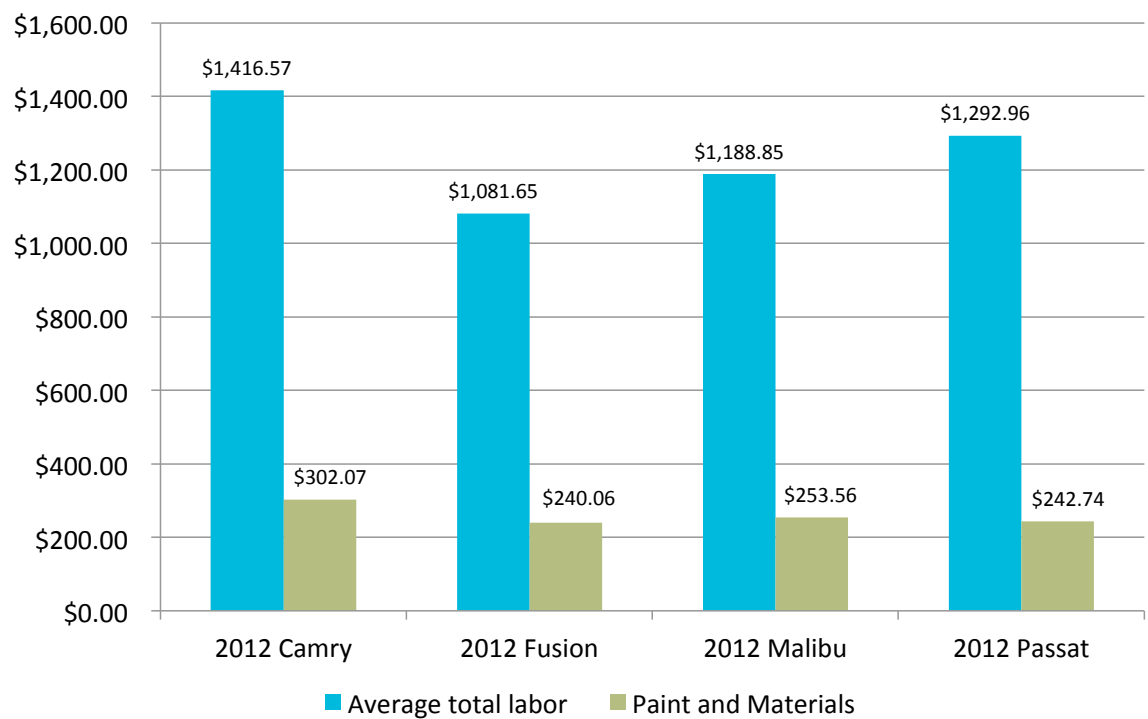
its styling cycle the vehicle is less expensive to repair, but we also have to note that the two lowest priced repairs are for domestic vehicles, and the best selling car of the group (and best selling car in the U.S. period) is the most expensive. So, does life cycle have an influence on repair costs? When it comes to parts selection and overall parts cost, yes it does.



Percentage of Parts Dollars by Part Type



Labor Hours and Refinish Materials Costs



U.S. Length of Rental Falls 0.1 Day in Q1 2015

By Frank LaViola

Assistant Vice President, Insurance Replacement, Enterprise Rent-A-Car



For the first time in two years, the U.S. overall Length of Rental (LOR) decreased in Q1.

For the first time in two years, the U.S. overall Length of Rental (LOR) decreased in Q1 to 11.5 days. Although the difference was a mere 0.1 day over 2014, it does buck the trend in quarter-overquarter increases. Two regions that saw decreases in LOR were the Mid-Atlantic, down 0.5 days, and the Midwest, down 0.6 days. Several factors have an influence on LOR including drivable vehicle and non-drivable vehicles. The LOR for drivable vehicles was 9.2 days compared to nondrivable

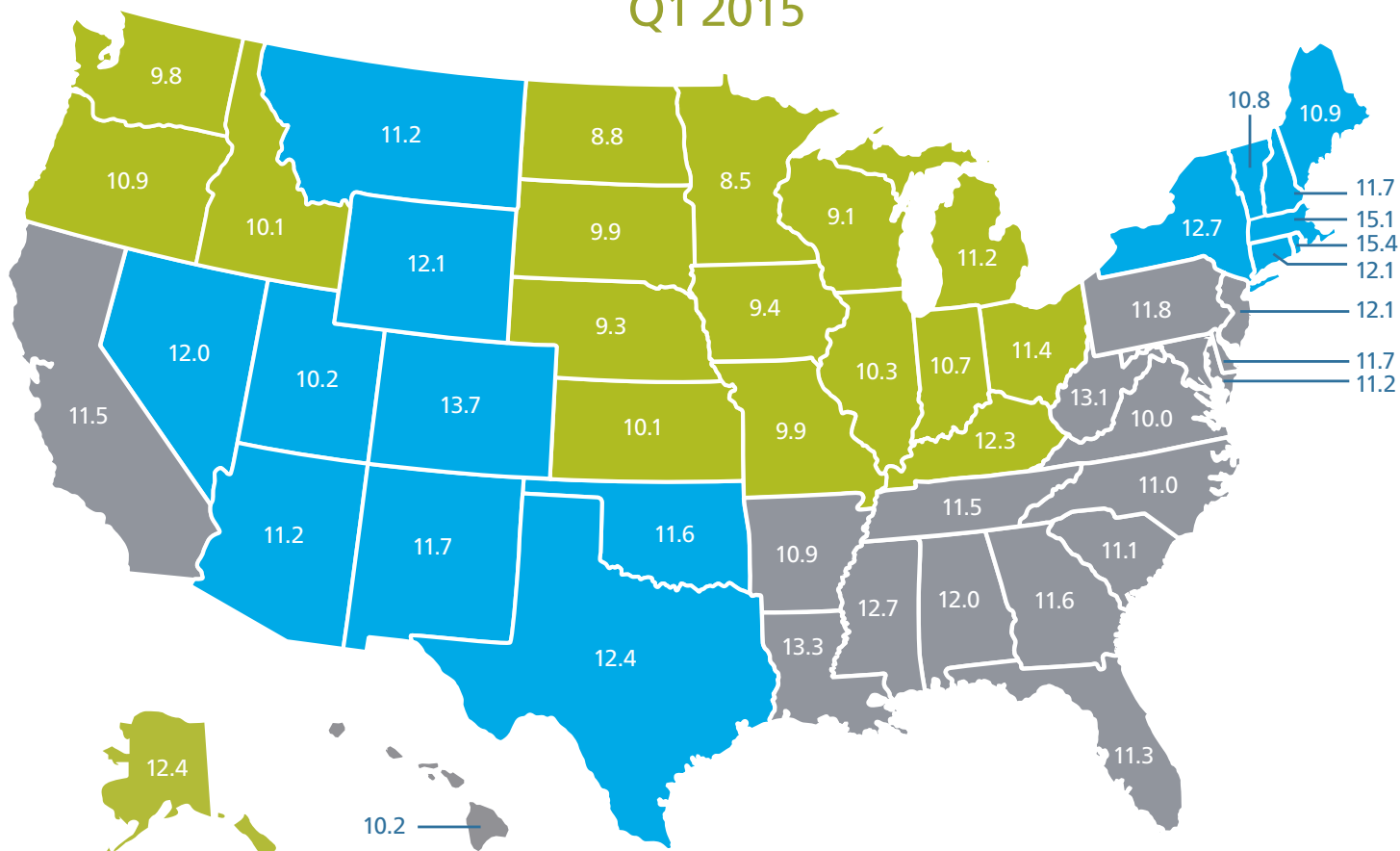
vehicles of 17.7 days. We can also see that the type of vehicle has an impact on the repair time. This is due in part to repair methods, parts ordering and the makeup of the vehicles. In the comparison, on average, it takes over 1.5 days more to repair a vehicle designated as European compared to a vehicle designated as foreign (see chart).

Comparing averages throughout the states and regions, California's LOR increased by 0.5 days over last year to 11.5 days, and 0.3 days

over the 5-year average. California is currently suffering through extreme drought conditions so we know weather was not a prevailing factor. The southern portion of the state once again had a higher LOR at 11.8 days compared to the northern portion at 10.7 days.

The Mid-Atlantic States decreased 0.5 days to 11.2 over Q1 2014, but is still 0.3 days higher than the year average. Pennsylvania saw the biggest decrease, down 0.8 days to 11.8 from Q1 2014. Some

U.S. Average Length of Rental by State Q1 2015



The type of vehicle has an impact on the repair time. This is due in part to repair methods, parts ordering, and the makeup of the vehicles.

Overall U.S. LOR	
11.5	
Region	LOR
California	11.5
Mid-Atlantic	11.2
Midwest	10.5
Mountain	12.6
Northeast	13.0
Northwest	10.2
Pacific	10.8
Southeast	11.6
Southwest	12.2

January–March 2015

Designation	Avg. Billed Days
Domestic	11.03
European	12.45
Foreign	10.89

significant snowfall did not hamper the repair cycle time compared to last year. The only state to increase—West Virginia, up 0.3 days to 13.1—was also the highest LOR in the Mid Atlantic. Virginia stayed flat at 10 days to have the lowest LOR in the region.

The mild Midwest weather helped lower the LOR to 10.5 days, down 0.6 days from Q1 2014. Minnesota once again had the lowest LOR at 8.5, days down 0.8 days from last year as well as the lowest non-drivable LOR at 14.8 days. North Dakota had the lowest drivable LOR at an impressive 6.7 days and a solid overall LOR of 8.8 days. The largest decrease was Indiana, down one full day to 10.7 days. Indiana is also the only state in the region to be beat the five-year state average of 10.6 days. The

only two states to increase in LOR were Nebraska and Kentucky, up 0.1 days to 9.3 days and 12.3 days, respectively.

The Mountain region had the distinction of having the largest increase in Q1 LOR, up 1.4 days to 12.6. Colorado increased the most up two full days to 13.7 days and had a non-drivable LOR of 20.6 days. The increase in LOR is said to be the backup of previous hail events that have kept collision repair shops full. Wyoming was the only state to decrease, down 0.2 days to 12.1. Even with a lack of significant precipitation, Montana and Utah increased to 11.2 days up 0.5, and 10.2 days up 0.1.

The Northeast may still be plowing snow after the significant amount of snowfall this past season. Record cold and snowfall kept

[Click here to view the Casualty Edition](#)



Average Length of Rental for Repairable Vehicles

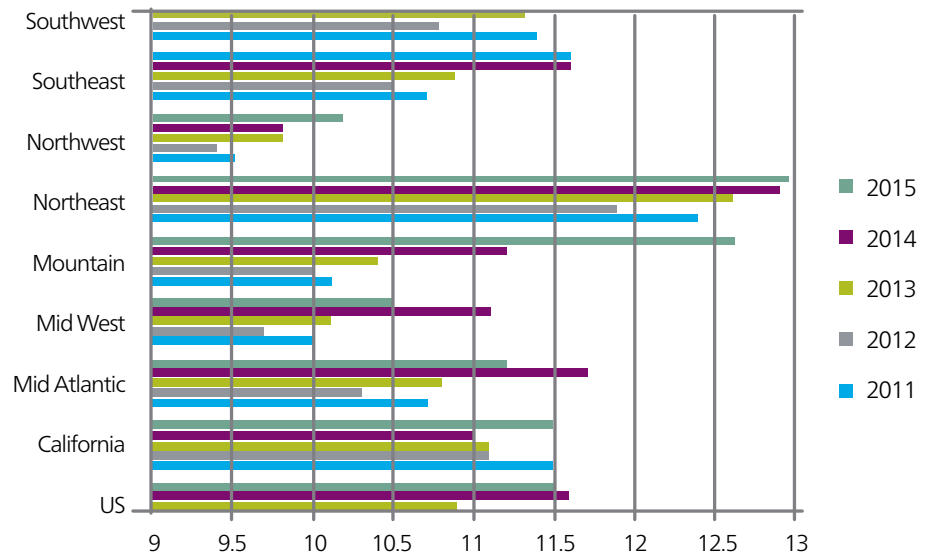
many collision repair shops doing double time clearing the snow. This, however, did not adversely affect the LOR of the region as a whole as the increase was a mere 0.1 days, up to 13 overall. Two states did break the 15-day mark with Rhode Island leading the country with the highest LOR at 15.4 days, up 0.3 from Q1 2014. Rhode Island also has the longest drivable LOR at 12.2 days, edging out Massachusetts' 12.1 days. Massachusetts was also the other state to break 15 days at 15.1, an increase of 0.4 days. With snowfall totals in Boston of 24.6 inches and Providence of 19.1, we can see the impact being played out. The state of Vermont led the region with the lowest LOR of 10.8 days and had the largest decrease from Q1 2014 of 0.4 days.

The Southeast was a mixed bag of increases and decreases in LOR as the region overall stayed flat at 11.6 from Q1 2014. The state of Georgia saw the largest decrease of 0.6 days to end at 11.6 days. The best LOR in the region belongs to Arkansas at 10.9 days followed by South Carolina at 11.1 days. Louisiana had the biggest increase in LOR in the Southeast, up 0.4 days to 13.3 overall.

Heading up to the Northwest we saw an increase in LOR of 0.4 days to 10.2. This is significantly above the five-year average for this region of 9.7 days. Washington climbed 0.4 days to 9.8, and Oregon increased a half day to 10.9. Idaho stayed flat at 10.1 days.

The Southwest Region increased 0.2 days to 12.2, with New Mexico leading the states with increases up 0.9 days to 11.7. Oklahoma had the only decrease of 1.1 days to 11.6 LOR. Texas increased modestly up 0.1 day to 12.4, and also led the region with the highest LOR. Arizona increased, up 0.7 days to 11.2, matching the five-year average for the state.

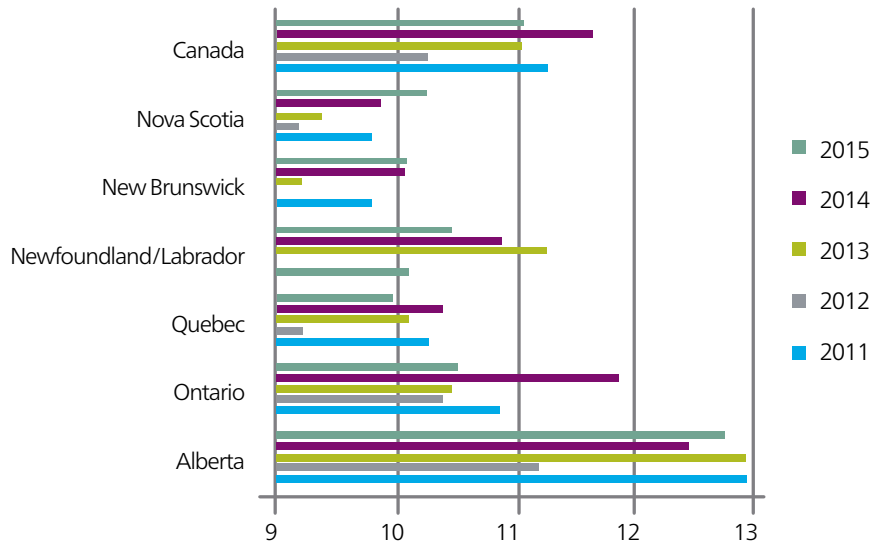
The weather in Alaska led to the third coldest winter season on record according to NOAA National Climatic Data Center, *State of the Climate: National Overview for March 2015*, published online April 2015, and retrieved on April 10, 2015 from <http://www.ncdc.noaa.gov/sotc/national/2015/3>. This, however, did not result in a decrease in LOR as the state's LOR increase 0.1 days to 12.4 days. Alaska also holds the distinction of having the longest drivable LOR of 20.9 days. On the other side of the spectrum, Hawaii had an LOR of 10.2 days to match last year and the past five-year average.



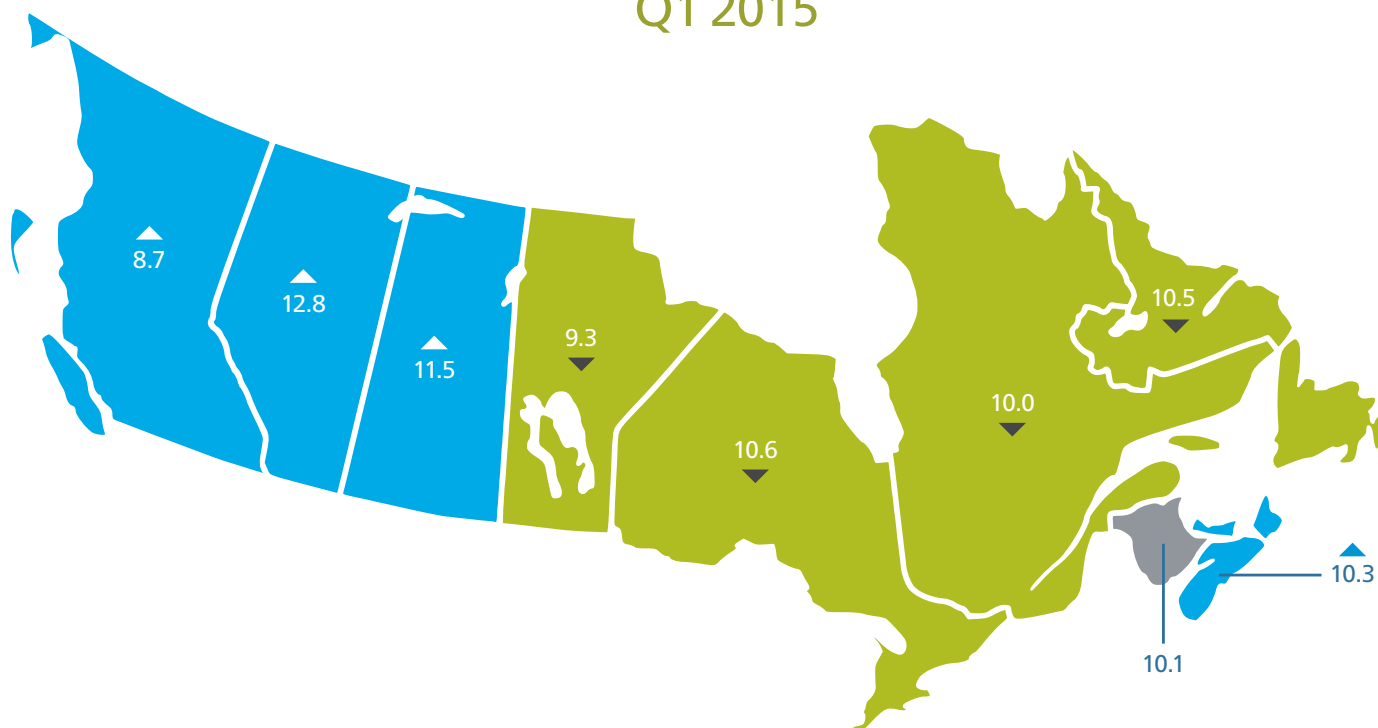
Average Length of Rental for Repairable Vehicles

Canada LOR

The Canadian collision repair market overall experienced a decrease in LOR of 0.6 days to 11.1 days, matching the five-year average. The province of Alberta had the highest LOR at 12.8 days, up 0.3 from last year's Q1. Ontario had the largest decrease of 1.3 days to 10.6 days. Overall, there were mixed results with some provinces being down including Quebec, 0.4 days to 10 and having the lowest LOR of the reported provinces. Newfoundland and Labrador also declined 0.4 days to 10.5, and New Brunswick was flat at 10.1 days. British Columbia, Saskatchewan and Manitoba are excluded due to the presence of government insurers ICBC, MPI and SGI.



Canadian Average Length of Rental by Province Q1 2015



Year over year change

Source: Enterprise Rent-A-Car. Includes ARMS® Insurance Company Direct Billed Rentals; Excludes Total Loss Vehicles.

The quarterly LOR summary is produced by Frank LaViola, Assistant Vice President Collision Industry Relations and Sales at Enterprise Rent-A-Car. Frank has 22 years of experience with Enterprise. Through its ARMS® Automotive Suite of Products, Enterprise provides collision repair facilities with free cycle time reporting with market comparisons, free text/email capability to update their customers on vehicle repair status, and online reservations. More information is available at armsautosuite.com or by contacting Frank LaViola at frank.r.laviola@ehi.com.

Overall Canada LOR Days

11.1

Region	LOR Days
British Columbia	8.7
Alberta	12.8
Saskatchewan	11.5
Manitoba	9.3
Ontario	10.6
Quebec	10.0
Newfoundland and Labrador	10.5
New Brunswick	10.1
Nova Scotia	10.3

Largest Auto Insurers Continue to Add Market Share in 2014

The largest private passenger auto insurers gained market share in 2014. A change in ranking among the top five auto insurers for the second year in a row.

From Collision Week

Publish Date: April 2, 2015



State Farm remains down just under 1 point from 2011 when they accounted for 19.57 percent of the market.

Since 2000, the largest private passenger automobile insurers have been growing their combined market share and more than half of all private passenger auto insurance in the United States is handled by just five companies, and the top 25 companies account for more than \$4 out of every \$5 in premiums for the entire market, almost 85 percent of overall.

According to the final 2014 market share report from the National Association of Insurance Commissioners (NAIC) the top five private passenger auto insurers in 2014 have grown for the second year in a row after experiencing a decline in 2012. In 2014, the top five accounted for 53.35 percent of the premiums written, up over a half point from the 52.64 percent

combined market share they held in 2012. The 2014 result took the top five above the previous high they held in 2011, when they accounted for 53.31 percent of the private passenger auto market.

The NAIC data showed that the growth of the past decade had started to slow in 2012 with a decline in market share overall for the Top 25 companies versus 2011.

As the table below indicates, there has been another change in the rankings of the top five. In 2014, USAA overtook Farmers to take the fifth spot with 5.17 percent market share compared to Farmers 5.1 percent. Farmers' market share in 2014 declined by 6.3 percent or .34 points from 2013 when it recorded a 5.44 percent market share. In 2000, Farmers held 5.8 percent of the market and USAA just 3.4 percent.

Last year, Allstate, the perennial second largest auto insurer behind number one State Farm, dropped to third place for the first time, behind GEICO. Allstate reported a 0.4 percent, or 0.04 point, increase in private passenger premiums

written for 2014, rising to 9.99 percent from 9.95 last year. GEICO continued its solid growth with an increase of 5.1 percent, or 0.52 points, in 2014 to 10.78 percent of the market.

State Farm, the largest auto insurers, saw its share increase again in 2014, up to 18.7 percent of the market from 18.52 percent in 2013. State Farm remains down just under 1 point from 2011 when they accounted for 19.57 percent of the market.

Looking at our chart showing the market share percentage growth from 2000–2014 for the Top 10 insurers, five (State Farm, GEICO, Progressive, USAA and Liberty

Mutual) have grown during the period and five (Allstate, Farmers, Nationwide, American Family and Travelers) have seen declines in their market share.

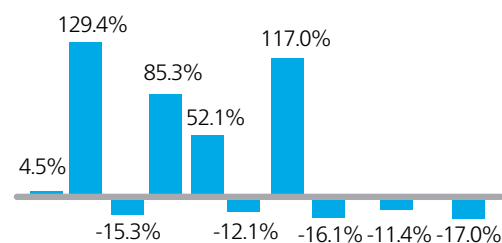
GEICO has grown the most during the 15-year period to 2014, up more than double at 129.4 percent, compared to its market share in 2000. GEICO is followed closely by Liberty Mutual, up 117 percent from 2000 through 2014.

Conversely, Travelers saw the largest decline during the period, losing 17 percent of its private passenger auto market share during the period.

Rank Passenger Auto Groups	Private Passenger Auto Groups	Market Share Percent						
		2014	2013	2012	2011	2010	2009	2000
1	State Farm	18.70	18.52	18.37	19.57	18.68	18.42	17.90
2	GEICO	10.78	10.26	9.58	9.54	8.51	7.69	4.70
3	Allstate	9.99	9.95	10.00	10.85	10.19	11.21	11.80
4	Progressive	8.71	8.47	8.26	8.34	7.71	6.94	4.70
5	USAA	5.17	5.05	4.83	4.83	4.36	4.63	3.40
6	Farmers	5.10	5.44	5.88	5.01	5.97	6.28	5.80
7	Liberty Mutual	4.99	4.98	4.73	4.78	4.50	4.36	2.30
8	Nationwide	3.86	4.01	4.08	4.26	4.22	4.36	4.60
9	American Family	1.86	1.90	1.89	1.89	1.94	2.18	2.10
10	Travelers	1.66	1.75	1.94	2.19	2.11	1.87	2.00
	Total Share Top 5	53.35	52.64	52.09	53.31	51.06	50.54	44.90
	Total Share Top 10	70.82	70.33	69.56	71.26	68.19	67.94	59.30
	Total Share Top 15	76.95	76.52	75.78	77.73	74.57	74.65	66.80
	Total Share Top 25	84.20	80.98	83.28	84.91	81.98	82.56	76.50

SOURCE: National Association of Insurance Commissioners ANALYSIS: CollisionWeek

Ten Largest Private Passenger Auto Insurers Market Share Percentage Growth 2000–2014



SOURCE: National Association of Insurance Commissioners

Allstate, Tech-Cor Commend Ford on Aluminum F-150 Repairability

From Collision Week

Publish Date: April 10, 2015



Now, more than 2,500 Allstate adjusters and claims staff have received vehicle-specific aluminum repair training through Tech-Cor.

During the past few years, Ford, Allstate Insurance Company and its research group, Tech-Cor Applied Research, teamed up to analyze repairability and prepare adjusters as well as body shop technicians who are responsible for working on the new aluminum intensive Ford F-150 trucks, which has resulted in the ease of repairability and insurance costs in line with previous models and other full-size pickup trucks.

Ford proactively partnered with Allstate and Tech-Cor to prepare the collision repair industry well in advance of the vehicle's release, ensuring the necessary training, tooling and expertise would be able to repair the new F-150. Now, more than 2,500 Allstate adjusters and claims staff have received vehicle-specific aluminum repair training through Tech-Cor. In addition, Allstate continues its effort to encourage its Good

Hands Repair Network shops to have technicians complete Ford's recommended training classes.

"The result of all this work ahead of the new truck ever hitting the road is that the insurance premiums on the 2015 Ford F-150 are in line with the prior model year when Ford used steel instead of aluminum," Allstate's Vice President of Vehicle Product Management Dave Border said. "We will continue to look at

our loss costs with the new truck and price it accordingly but, so far, the work Ford and Tech-Cor did in advance is paying off for customers.”

Ford’s 2015 F-150 keeps small and large repairs simple through modular vehicle construction that helps reduce repair times and partnerships with places like Tech-Cor that can provide expertise on how to keep costs reasonable.

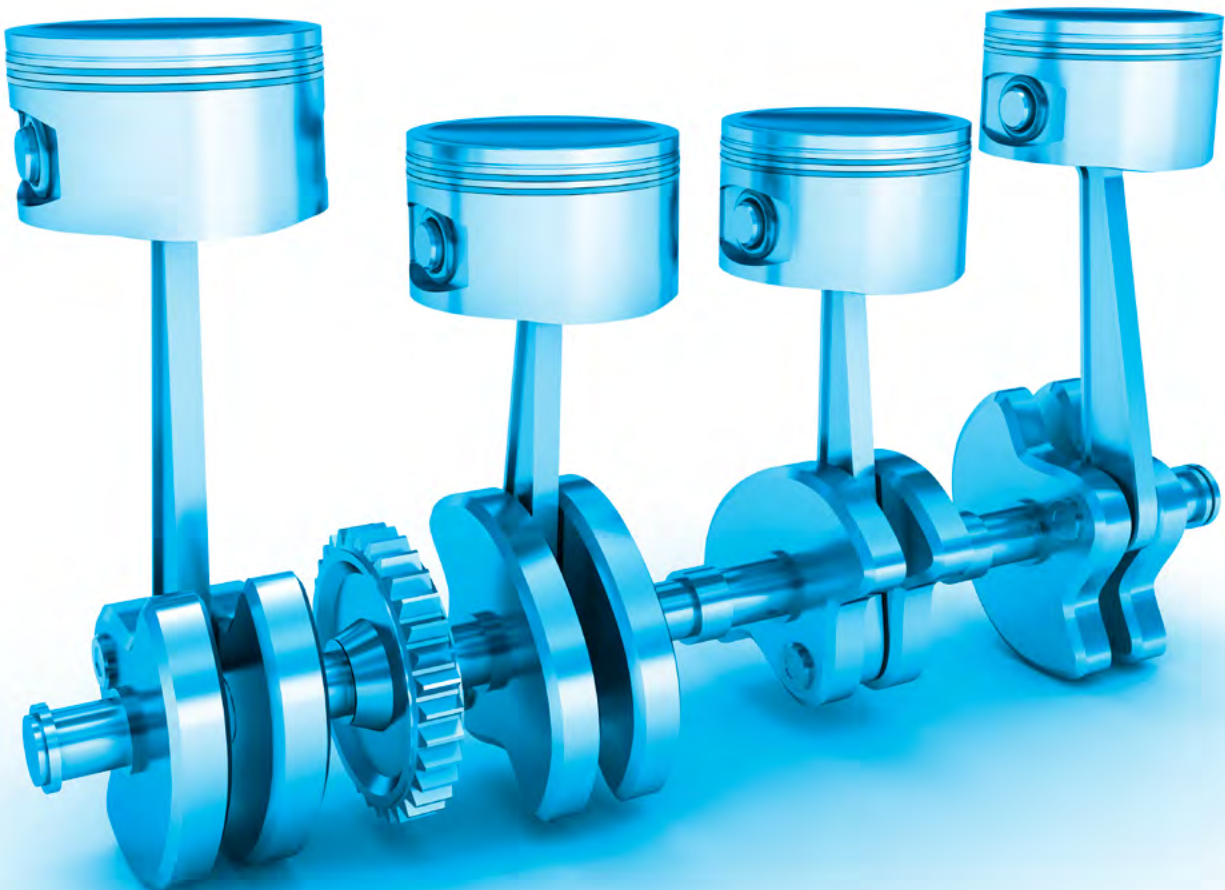
“We have designed the new F-150 to be easily repairable in the event of minor or major accidents,” said Mike Berardi, director, Ford Service

Engineering Operations. “We value Tech-Cor’s input on the necessary tools, equipment and repair options, which has helped keep repair costs down on our all-new truck.”

Tech-Cor Research has had a longstanding business relationship with Ford and worked closely with the carmaker on numerous projects over the years. Throughout the design process of the new F-150, Ford engaged organizations like Tech-Cor Research and Allstate to evaluate the vehicle’s repairability and to ensure that all

repairs are completed per Ford’s recommendations while keeping costs in check.

“With the F-150 consistently being one of the highest-volume production vehicles in the U.S., Ford wanted to make sure that the collision repair industry would be able to properly repair this truck,” says Tech-Cor Research Senior Manager Mark Woirol. “We were happy to help provide input as they developed tooling and repair options, which we know can help customers who may buy the truck in the future, as well.”



Berkshire Hathaway's Warren Buffett has Purchased a \$560 Million Stake in Axalta Coating Systems

From Autobody Repair News

Publish Date: April 8, 2015



Our goal every day is to provide all our customers with the best possible products and services," said Matthew Winokur, Axalta vice president of corporate.

Buffett paid the \$560 million to Axalta's private equity owner, The Carlyle Group, for 20 million shares of the company—at \$28 per share—amounting to a 9 percent stake in Axalta.

Carlyle took Axalta, formerly DuPont, public in November 2014, and has since seen the company's stock rise 43 percent, according to CNN.

"We are pleased to have Berkshire Hathaway Inc. take this share

ownership position in Axalta," said Charlie Shaver, Axalta chairman and CEO. "Berkshire is the type of quality investor that Axalt has been fortunate to attract since our IPO last year. We believe this investment shows Berkshire's support of our strategy to reshape ourselves into a growth and customer-oriented, world-class coatings company."

In connection with the purchase, Berkshire Hathaway agreed that it would not dispose of the shares for 90

days following the consummation of the sale. Axalta has agreed to provide Berkshire Hathaway with certain registration rights following the expiration of that 90-day period.

But the purchase is not expected to impact daily operations. "For us, it's business as usual. Our goal every day is to provide all our customers with the best possible products and services," said Matthew Winokur, Axalta vice president of corporate.



National Auto Body Council Members Donate Nearly \$3 Million of Recycled Rides Vehicles

From Autobody Repair News

Publish Date: April 7, 2015



Caliber Collision team members led the effort on the repairer side, volunteering personal time to refurbish 20 Recycled Rides vehicles.

Members of the National Auto Body Council (NABC) teamed up in 2014 to donate nearly \$3 million in refurbished vehicles, positively changing the lives of 200 individuals and their families through the organization's Recycled Rides™ program.

Progressive Insurance led the effort in 2014, partnering with NABC shops across the country to donate

vehicles to 117 military service members and veterans. GEICO, Allstate, State Farm, Esurance, Farmers and Insurance Auto Auctions each donated at least 10 vehicles, with the additional vehicle contributions from Hertz, Enterprise Rent-a-Car and Copart.

Caliber Collision team members led the effort on the repairer side, volunteering personal time

to refurbish 20 Recycled Rides vehicles. Service King, CARSTAR, ABRA Auto Body & Glass, Gerber Collision & Glass, the Van Tuyl Group and many more independent body shops all contributed to the success of the 2014 Recycled Rides effort.

A future generation of collision repair professionals also had the opportunity to participate in

community service projects through the Recycled Rides program while learning their craft at Washburn Institute of Technology, Manhattan Area Technical College, Western Nevada College, Pennsylvania College of Technology, and Technical College High School - Brandywine.

“Recycled Rides is a life-changing experience not just for the recipients but for everyone who participated and contributed to the event,” said Nick Notte, NABC Chairman. “We are very proud that

through Recycled Rides, members of the National Auto Body Council are able to make an impact in their local communities as well as showcase the professionalism and integrity of our collision industry.”

According to Rick Tuuri, NABC’s Recycled Rides Program Chair, the momentum and successful efforts from Recycled Rides in 2014 have carried through into 2015. To date, 79 Recycled Rides vehicles have already been donated or are in the process of completion.



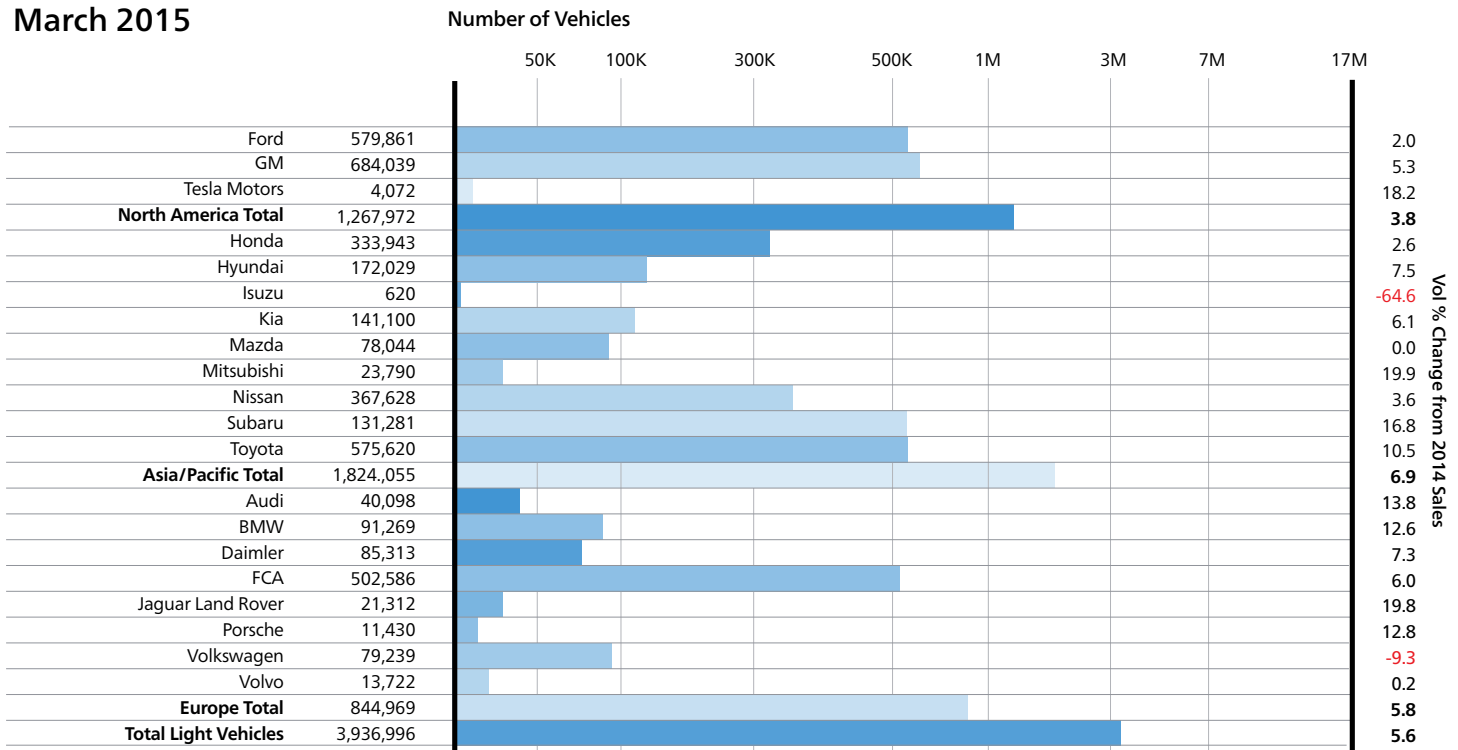
New Vehicle Sales

WardsAuto 10 Best Selling U.S. Cars and Trucks March 2015 (YTD)

Cars		Trucks/Vans/SUVs	
Camry	100,505	F-Series	165,273
Corolla	90,728	Silverado	126,694
Altima	86,875	Ram Pickup	98,243
Fusion	71,470	CR-V	73,127
Accord	68,645	Escape	67,272
Civic	66,722	RAV4	67,010
Cruze	60,592	Equinox	65,613
Elantra	56,742	Rogue	64,486
Focus	52,994	Explorer	58,707
Sentra	51,026	Cherokee	48,213

Source: WardsAuto InfoBank

WardsAuto U.S. Light Vehicle Sales by Company March 2015



Light vehicles are cars and light trucks (GVW Classes 1-3, under 14,001 lbs.). DSR is daily sales rate. Tesla Motors monthly sales estimated.
Source: WardsAuto InfoBank

Current Used Vehicle Market Conditions

March 2015 Kontos Commentary

By Tom Kontos

Executive Vice President,
ADESA Analytical Services

The following commentary is produced monthly by Tom Kontos, Executive Vice-President, ADESA Analytical Services. ADESA is a leading provider of wholesale used vehicle auctions and ancillary remarketing services.

As part of the KAR Auction Services family, ADESA works in collaboration with its sister company, Insurance Auto Auctions, a leading salvage auto auction company, to provide insights, trends and highlights of the entire automotive auction industry.

Summary

Wholesale used vehicle prices were up on both a month-over-month and year-over-year basis in March. Though this is indicative of both seasonal and secular market strength, supply growth is nevertheless exerting downward pressure on prices as witnessed by lower conversion rates and price weakness in particular age, sale type, and model class segments.

A problem with relying on sales prices for assessing market conditions, even based on the robust data set available through the millions of auction transactions we analyze in this space, is that this data set omits the vehicles that no-sold. A large portion of off-rental program vehicles that would have been sold in late-2014 and whose sale was curtailed until early 2015 were no-sale'd in March in hopes of better prices in

Wholesale Used Vehicle Price Trends

	Average Prices (\$/Unit)			Latest Month Versus	
	Mar-15	Feb-15	Mar-14	Prior Month	Prior Year
Total All Vehicles	\$10,646	\$10,167	\$10,435	4.7%	2.0%
Total Cars	\$9,382	\$9,054	\$9,336	3.6%	0.5%
Compact Car	\$7,544	\$7,465	\$7,414	1.1%	1.7%
Midsize Car	\$8,148	\$8,075	\$8,521	0.9%	-4.4%
Fullsize Car	\$7,951	\$7,829	\$7,569	1.6%	5.1%
Luxury Car	\$13,139	\$12,352	\$12,425	6.4%	5.8%
Sporty Car	\$13,969	\$13,132	\$13,235	6.4%	5.5%
Total Trucks	\$11,694	\$11,035	\$10,856	6.0%	7.7%
Mini Van	\$8,477	\$7,934	\$7,493	6.9%	13.1%
Fullsize Van	\$12,746	\$12,120	\$10,889	5.2%	17.1%
Mini SUV	\$14,275	\$12,981	\$12,794	10.0%	11.6%
Midsize SUV	\$8,446	\$7,811	\$7,983	8.1%	5.8%
Fullsize SUV	\$11,676	\$11,174	\$11,360	4.5%	2.8%
Luxury SUV	\$19,183	\$17,897	\$19,718	7.2%	-2.7%
Compact Pickup	\$7,886	\$7,683	\$7,574	2.6%	4.1%
Fullsize Pickup	\$14,342	\$13,783	\$13,284	4.1%	8.0%
Total Crossovers	\$12,827	\$12,253	\$13,297	4.7%	-3.5%
Compact CUV	\$11,239	\$10,835	\$12,109	3.7%	-7.2%
Mid/Fullsize CUV	\$13,980	\$13,240	\$14,508	5.6%	-3.6%

Source: ADESA Analytical Services. November data revised

forthcoming sales. Ignoring this factor leads to a false sense of confidence in the strength of wholesale values.

Another factor that should be considered, and which has been repeatedly stressed here, is that average sales prices continue to be biased upward by a "richer mix" of institutional vehicles this year compared to last year. The late-model off-rental program vehicles mentioned in the previous paragraph have had particular impact in elevating average prices.

In short, average wholesale prices are holding up well, but a deeper analysis indicates that supply growth is putting downward pressure on prices as one would expect.

Details

According to ADESA Analytical Services' monthly analysis of Wholesale Used Vehicle Prices by

Vehicle Model Class1, wholesale used vehicle prices in March averaged \$10,646—up 4.7% compared to February and up 2.0% relative to March 2014. The truck classes, which include vans, SUVs and pickups, performed much stronger than the car and crossover classes.

Prices for used vehicles remarketed by manufacturers were up 4.5% month-over-month but down 8.3% year-over-year. Prices for fleet/lease consignors were up 7.4% sequentially but down 0.6% annually. Dealer consignors registered a 6.0% increase versus February and a 1.7% increase relative to March 2014.

CPO sales were again strong, rising 12.4% month-over-month and 7.4% year-over-year, according to figures from Autodata.

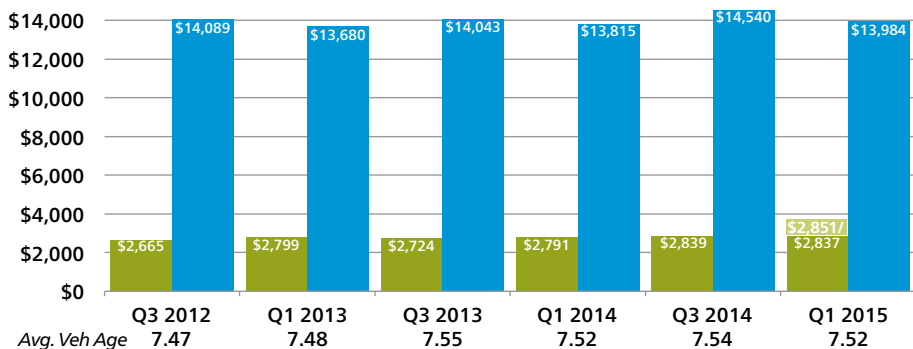
The analysis is based on over six million annual sales transactions from over 150 of the largest U.S. wholesale auto auctions, including those of ADESA as well as other auction companies. ADESA Analytical Services segregates these transactions to study trends by vehicle model class, sale type, model year, etc. The views and analysis provided herein relate to the vehicle remarketing industry as a whole and may not relate directly to KAR Auction Services, Inc. The views and analysis are not the views of KAR Auction Services, its management or its subsidiaries; and their accuracy is not warranted. The statements contained in this report and statements that the company may make orally in connection with this report that are not historical facts are forward-looking statements. Words such as "should," "may," "will," "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "bode," "promises," "likely to" and similar expressions identify forward-looking statements. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the results projected, expressed or implied by the forward-looking statements. Factors that could cause or contribute to such differences include those matters disclosed in the company's Securities and Exchange Commission filings. The company does not undertake any obligation to update any forward-looking statements.

Appraisal Values

The initial average appraisal value, calculated by combining data from all first- and third-party repairable vehicle appraisals uploaded through Mitchell systems in Q1 2014 was \$2,837, \$46 higher than the previous year's Q1 2014 appraisal average of \$2,791.

Applying the prescribed development factor of .50% to these data produces an anticipated average appraisal value of \$2,851. Also of note is the average actual cash value (ACV) of the vehicles was again below the \$14,000 threshold on a vehicle that was the third oldest average age on the chart tied with the same quarter previous year.

Average Appraisal Values, ACVs and Age | All APD Line Coverages*



* Values provided from Guidebook benchmark averages, furnished through Ultramate.

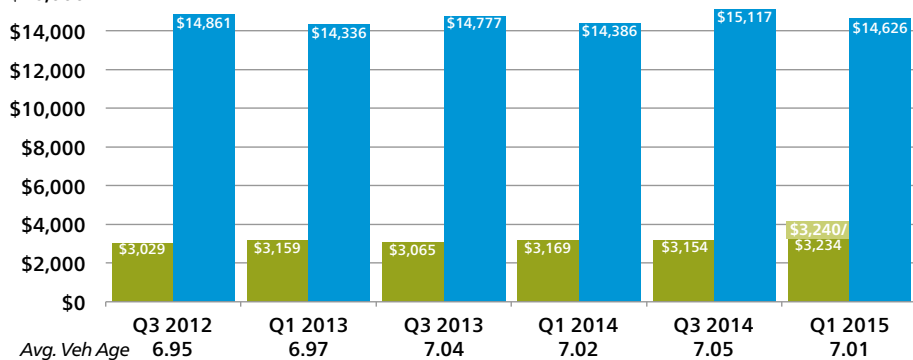
■ Appraisals ■ ACV's

Collision Losses

Mitchell's Q1 2015 data reflect an initial average gross collision appraisal value of \$3,234, \$65 more than this same period last year. However, by applying the indicated development factor, suggests a final Q1 2015 average gross collision appraisal value will be \$3,240, a significant increase over the same quarter last year.

At the average Actual Cash Value (ACV) of vehicles appraised for collision losses during Q1 2014 was \$14,626, an increase over the same period last year on a slightly newer vehicle

Average Appraisal Values, ACVs and Age | Collision Coverage*



* Values provided from Guidebook benchmark averages, furnished through Ultramate.

■ Appraisals ■ ACV's



MITCHELL SOLUTION:

Mitchell Estimating™

Mitchell **Estimating** is an advanced estimating system, combining database accuracy, automated calculations, and repair procedure pages to produce estimates that are comprehensive, verifiable, and accepted throughout the collision industry. Mitchell Estimating is an integral part of Mitchell's appraisal workflow solutions:

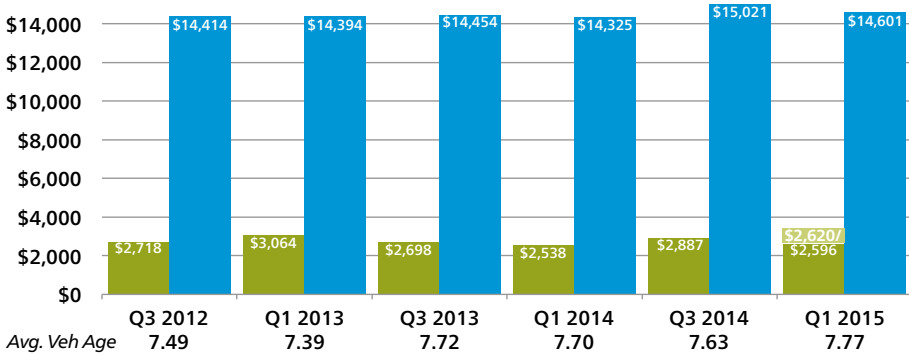
- [RepairCenter Estimating](#) for repair shops and
- [WorkCenter Appraisal](#) for staff appraisers.

Visit Mitchell's website at www.mitchell.com

Comprehensive Losses

In Q1 2015, the average initial gross appraisal value for comprehensive coverage estimates processed through our servers was \$2,596, compared to \$2,538 in Q1 2014. Applying the prescribed development factor of .18% for this data set produces only an increase in the adjusted value to \$2,620.

Average Appraisal Values, ACVs and Age | Comprehensive Losses*

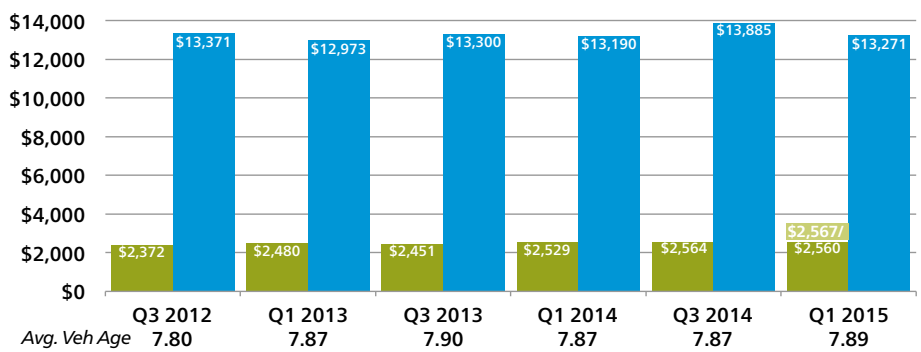


* Values provided from Guidebook benchmark averages, furnished through Ultramate.

Third-Party Property Damage

In Q1 2015, our initial average gross third-party Property Damage appraisal was \$2,560 compared to 2,529 in Q1 2014, reflecting a \$31 initial increase between these respective periods. Adding the prescribed development factor of .24% for this coverage type yields a Q1 2015 adjusted appraisal value of \$2,567, a \$38 increase in average severity over Q1 2014.

Average Appraisal Values, ACVs and Age | Auto Physical Damage APD*



* Values provided from Guidebook benchmark averages, furnished through Ultramate.

[Click here to view the Casualty Edition](#)



Supplements

EDITOR'S NOTE

As it generally takes at least three months following the original date of appraisal to accumulate most supplements against an original estimate of repair, we report (and recommend viewing supplement information) three months' after-the-fact, to obtain the most accurate view of these data.

In Q1 2015, 29.784% of all original estimates prepared by Mitchell-equipped estimators during that period were supplemented one or more times. In this same period, the pure supplement frequency (supplements to estimates) was 54.19% reflecting a 2.17 pt. increase from that same period in 2014. The average combined supplement variance for this quarter was \$717.85, \$19.91 lower than in Q1 2014.

Average Supplement Frequency and Severity

Date	Q3/12	Q1/13	Q3/13	Q1/14	Q3/14	Q1/15	Pt. Change	% Change
% Est. Supplement	32.26	34.24	33.47	36.41	34.04	29.78	-6.63	-18%
% Supplement	45.28	49.22	46.67	52.02	48.74	54.19	2.17	4%
Avg. Combined Supp. Variance	728.96	746.03	737.42	737.76	792.64	717.85	-19.91	-3%
% Supplement \$	27.36	26.65	27.08	26.43	27.92	25.3	-1.13	-4%

Average Appraisal Make-Up

This chart compares the average appraisal make-up as a percentage of dollars, constructed by Mitchell-equipped estimators. These data points reflect a trade off, with parts up by 1% and labor down by 1% and paint and materials showing a 1% change.

% Average Appraisal Dollars by Type

Date	Q3/12	Q1/13	Q3/13	Q1/14	Q3/14	Q1/15	Pt. Change	% Change
% Average Part \$	41.56	43.83	42.53	45.3	42.93	45.66	0.36	1%
% Average Labor \$	47.06	44.89	46	43.11	45.69	42.89	-0.22	-1%
% Paint Material \$	10.65	10.38	10.7	10.48	10.59	10.57	0.09	1%

Parts Analysis

Parts Type Definitions

Original Equipment Manufacturer (OEM)

Parts produced directly by the vehicle manufacturer or their authorized supplier, and delivered through the manufacturer's designated and approved supply channels. This category covers all automotive parts, including sheet metal and mechanical parts.

Aftermarket

Parts produced and/or supplied by firms other than the Original Equipment Manufacturer's designated supply channel. This may also include those parts originally manufactured by endorsed OEM suppliers, which have later followed alternative distribution and sales processes. While this part category is often only associated with crash replacement parts, the automotive aftermarket also includes a large variety of mechanical and custom parts as well.

Non-New/Remanufactured

Parts removed from an existing vehicle that are cleaned, inspected, repaired and/or rebuilt, usually back to the original equipment manufacturer's specifications, and re-marketed through either the OEM or alternative supply chains. While commonly associated with mechanical hard parts such as alternators, starters and engines, remanufactured parts may also include select crash parts such as urethane and TPO bumpers, radiators and wheels as well.

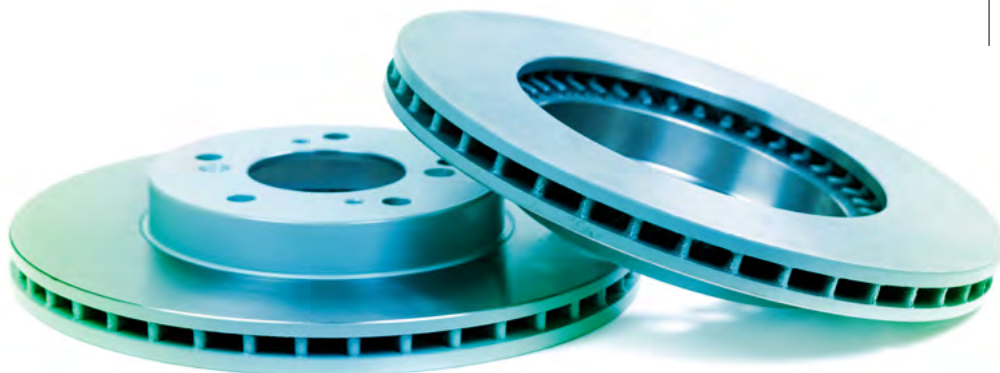
Recycled

Parts removed from a salvaged vehicle and re-marketed through private or consolidated auto parts recyclers. This category commonly includes all types of parts and assemblies, especially body, interior and mechanical parts.

EDITOR'S NOTE

While there isn't a perfect correlation between the types of parts specified by estimators and those actually used during the course of repairs, we feel that the following observations to be directionally accurate for both the insurance and auto body repair industries. This segment illuminates the percentage of dollars allocated to each unique part-type.

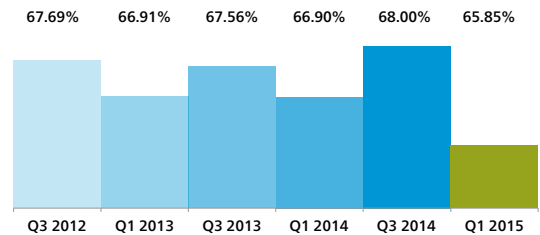
As a general observation, recent data show that parts make up 45% of the average value per repairable vehicle appraisal, about (.6) points more than the average allocation of labor dollars. In addition, the current trend reflects a continued decrease in the use of new OEM parts, likely as a result of the increases in collision parts taken by the manufacturers to offset increased delivery and storage expenses



Original Equipment Manufacturer (OEM) Parts Use in Dollars

In Q1 2015, OEM parts represented only 65.85% of all parts dollars specified by Mitchell-equipped estimators. These data reflect a 1.05 point relative decrease from Q1 2014.

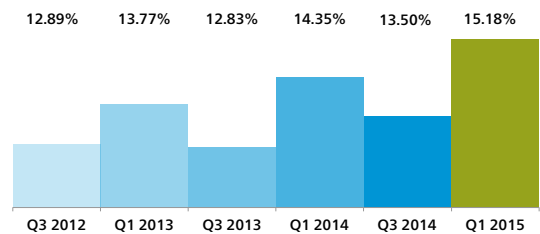
Parts-New



Aftermarket Parts Use in Dollars

In Q1 2015, 15.18% of all parts dollars recorded on Mitchell appraisals were attributed to aftermarket sources, up .83 points from Q1 2014.

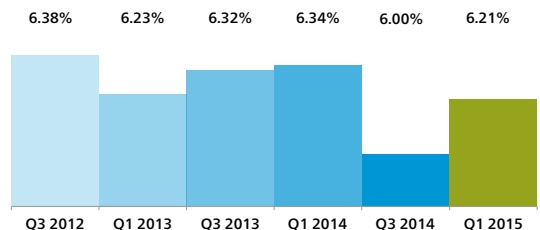
Parts-Aftermarket



Remanufactured Parts Use in Dollars

Currently listed as "Non-New" parts in our estimating platform and reporting products, remanufactured parts currently represent 6.21% of the average gross parts dollars used in Mitchell appraisals during Q1 2015. This reflects a .13 relative decrease over this same period in 2014.

Parts-Remanufactured



MITCHELL SOLUTION:
Mitchell QRP™

Mitchell's **Quality Recycled Parts (QRP)** Mitchell's Quality Recycled Parts (QRP) program is the most comprehensive source for finding recycled parts, providing online access to a parts database compiled from a growing network of more than 800 of the highest quality recyclers in North America and Canada. QRP is fully integrated with UltraMate / UltraMate Premier Suite for total ease-of-use.

For more information on QRP, visit Mitchell's website at www.mitchell.com.



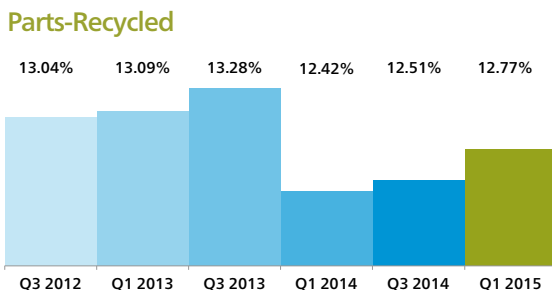
MITCHELL SOLUTION:
Mitchell MAPP™

Mitchell **Alternate Parts Program (MAPP)** offers automated access to nearly 100 Remanufactured and Aftermarket part types from over 700 suppliers ensuring shops get the parts they need from their preferred vendors. MAPP is fully integrated with UltraMate / UltraMate Premier Suite for total ease-of-use..

For more information on MAPP, visit Mitchell's website at www.mitchell.com.

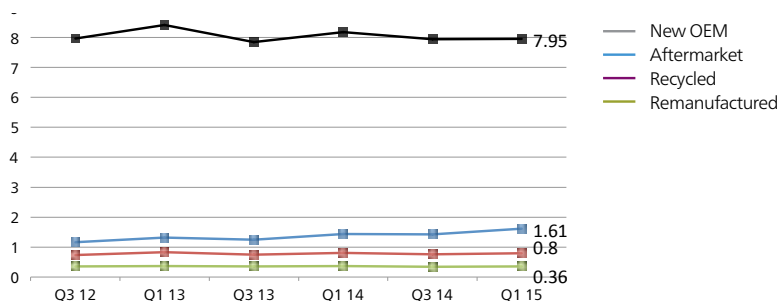
Recycled Parts Use in Dollars

Recycled parts constituted 12.77% of the average parts dollars used per appraisal during Q1 2015, reflecting a .35% increase from Q1 2014.



The Number of Parts by Part Type

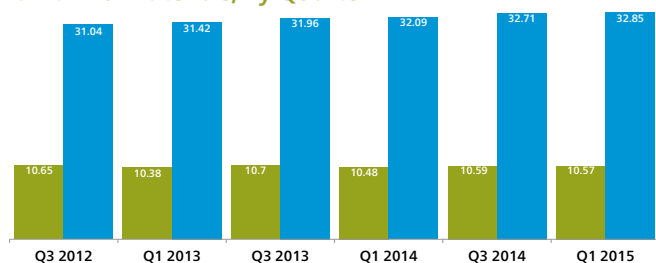
In order to capture another aspect of parts use, we calculate the number of parts used by part type on a repairable estimate. For Q1 2015, compared to the same quarter in 2014, new OEM parts use decreased again, with a modest increase in aftermarket parts as well as in recycled parts



Paint and Materials

During Q1 2015, paint and materials made up 10.57% of our average appraisal value, representing a .06-point relative increase from Q1 2014. Represented differently, the average paint and materials rate—achieved by dividing the average paint and materials allowance per estimate by the average estimate refinish hours—yielded a rate of \$32.85 per refinish hour in this period, compared to \$32.09 in Q1 2014.

Paint And Materials, By Quarter



EDITOR'S NOTE

It is commonly understood within the collision repair and insurance industries that a very large number of recycled “parts” are actually “parts-assemblies” (such as doors, which in fact include numerous attached parts and pieces). Thus, attempting to make discrete comparisons between the average number of recycled and any other parts types used per estimate may be difficult and inaccurate.



MITCHELL SOLUTION: Mitchell RMC™

Mitchell's **Refinishing Materials Calculator (RMC)** provides accurate calculations for refinishing materials costs by incorporating a database of over 7,000 paint codes from eight paint manufacturers. It provides job-specific materials costing according to color and type of paint, plus access to the only automated, accurate, field-tested, and industry-accepted breakdown of actual costs of primers, colors, clear coats, additives and other materials needed to restore vehicles to pre-accident condition.

For more information on RMC, visit Mitchell's website at www.mitchell.com.

Adjustments

In Q1 2015 the percentage of adjustments made to estimates decreased by 2%. The frequency of betterment taken decreased by 2%, while the average dollar amount of the betterment taken increased by 4% to \$119.17. Appearance allowance frequency decreased by 5% and the dollar amount of that appearance allowance decreased to \$206.40.

Adjustment \$ and %s

Date	Q3/12	Q1/13	Q3/13	Q1/14	Q3/14	Q1/15	Pt/\$ Change	% Change
% Adjustments Est	3.25	3.2	3.15	2.89	2.93	2.82	-0.07	-2%
% Betterment Est	2.6	2.59	2.56	2.37	2.34	2.32	-0.05	-2%
% Appear Allow Est	0.49	0.47	0.44	0.42	0.44	0.4	-0.02	-5%
% Prior Damage Est	2.78	2.83	2.9	2.84	2.99	2.72	-0.12	-4%
Avg. Betterment \$	134.86	119.95	126.25	114.15	131.63	119.17	5.02	4%
Avg. Appear Allow \$	210.9	202.03	214.7	209.92	215.58	206.4	-3.52	-2%

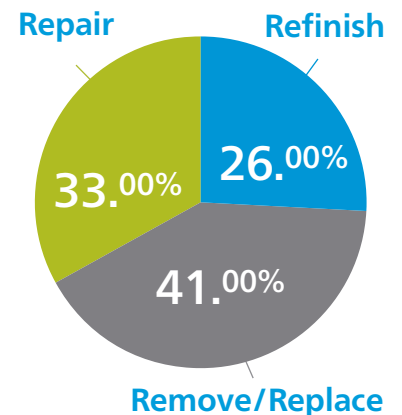
Labor Analysis

For 2015 year to date, average body labor rates have risen in every survey state compared to the full year 2014 results.

Average Body Labor Rates and Change by State

	2014	2015 YTD	\$ Change	% Change
Arizona	49.81	49.83	\$ 0.02	0%
California	54.58	55.36	\$ 0.78	1%
Florida	42.68	42.82	\$ 0.14	0%
Hawaii	48.10	48.59	\$ 0.49	1%
Illinois	50.66	51.02	\$ 0.36	1%
Michigan	44.44	44.99	\$ 0.55	1%
New Jersey	46.78	47.95	\$ 1.17	3%
New York	48.13	48.29	\$ 0.16	0%
Ohio	45.47	45.90	\$ 0.43	1%
Rhode Island	45.45	45.55	\$ 0.10	0%
Texas	44.60	45.22	\$ 0.62	1%

Percent of average labor hours by type



Total Loss

The chart below illustrates the total loss data for both vehicle age and actual cash value of total loss vehicles processed through Mitchell servers.

Average Vehicle Age in Years

Vehicles	Q3/12	Q1/13	Q3/13	Q1/14	Q3/14	Q1/15
	Average Vehicle Age					
Convertible	11.81	11.87	12.11	11.98	12.62	12.70
Coupe	11.77	11.69	11.98	11.90	12.14	11.97
Hatchback	9.40	9.10	8.94	8.68	8.56	8.29
Sedan	10.48	10.37	10.5	10.43	10.49	10.39
Wagon	9.36	9.22	9.55	9.62	9.98	10.12
Other Passenger	12.51	11.82	12.14	12.20	13.06	12.09
Pickup	11.77	11.67	12.08	12.03	12.46	12.36
Van	11.02	10.92	11.23	11.16	11.31	11.38
SUV	9.93	10.08	10.14	10.28	10.31	10.44

Average Vehicle Total Loss Actual Cash Value

Vehicles	Q3/12	Q1/13	Q3/13	Q1/14	Q3/14	Q1/15
	Average Actual Cash Value					
Convertible	10,566.87	9,965.07	10,350.22	9,631.64	10,146.85	9,441.36
Coupe	7,488.30	7,162.74	7,459.05	7,153.58	7,533.04	7,496.90
Hatchback	8,165.55	7,899.19	8,253.04	7,962.13	8,458.86	8,063.82
Sedan	7,426.95	7,202.29	7,460.33	7,210	7,721.12	7,363.74
Wagon	7,935.38	7,506.67	7,401.27	6,961.36	7,046.74	6,545.15
Other Passenger	12,953.24	15,186.71	13,938.03	16,668.16	13,722.77	15,534.93
Pickup	9,742.16	9,692.26	9,850.43	10,106.11	10,428.99	10,834.39
Van	5,974.40	5,786.18	5,875.16	5,677.44	6,123.50	5,906.95
SUV	9,652.29	9,050.93	9,413.04	8,848.46	9,544.26	9,226.20



MITCHELL SOLUTION:

Mitchell WorkCenter™ Total Loss

Mitchell WorkCenter™ Total Loss gives your claims organization a statistically driven, fully automated, web-based total loss valuation system that generates fair, market-driven values for loss vehicles. It combines J.D. Power and Associates' data analysis and pricing techniques with Mitchell's recognized leadership in physical damage claims processing solutions. Mitchell WorkCenter™ Total Loss helps you reduce settlement time and improve customer satisfaction. www.mitchell.com/workcenter/totalloss.

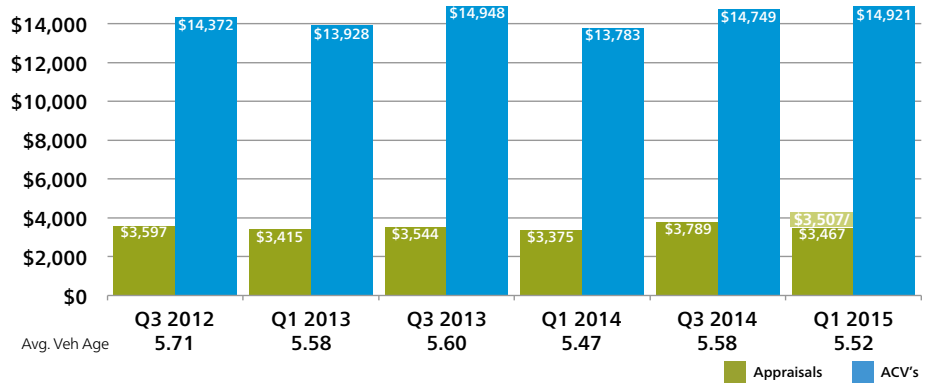


At the request of our customers and friends in Canada, we are pleased to provide the following Canada-specific statistics, observations, and trends. **All dollar-figures appearing in this section are in CDN\$.** As a point of clarification, these data are the product of upload activities from Body Shop, Independent Appraisers and Insurance personnel, more accurately depicting insurance-paid loss activity, rather than consumer direct or retail market pricing.

Canadian Appraisal Severity

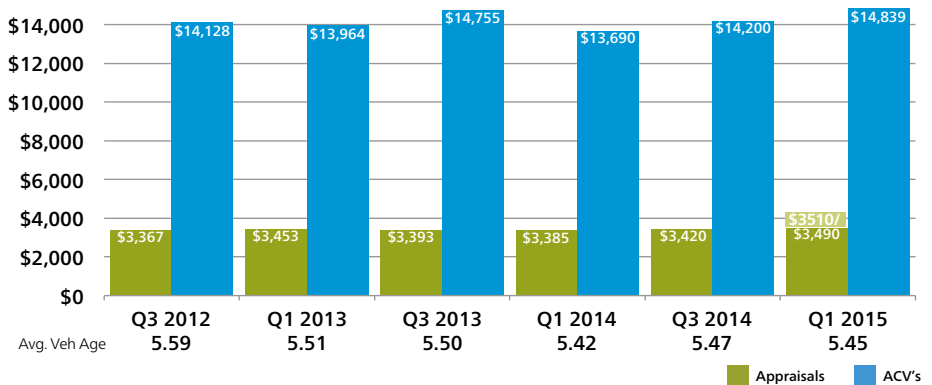
Average Appraisal Values Severity Overall

The average gross initial appraisal value, calculated by combining data from all first- and third-party repairable vehicle appraisals uploaded through Mitchell Canadian systems in Q1 2015 was \$3,467, a \$92 increase from Q1 2014. Applying the prescribed development factor yields an increase to \$3,507, an increase of \$132 over Q1 2014.



Collision Losses

The average initial gross collision appraisal value uploaded through Mitchell Canadian systems in Q4 2014 was \$3,451, a \$131 decrease from Q4 2013. However, applying the prescribed development factor yields an anticipated final average appraisal value of \$3,543, a \$39 decrease from Q4 2013.



Canadian Average Appraisal Make-Up

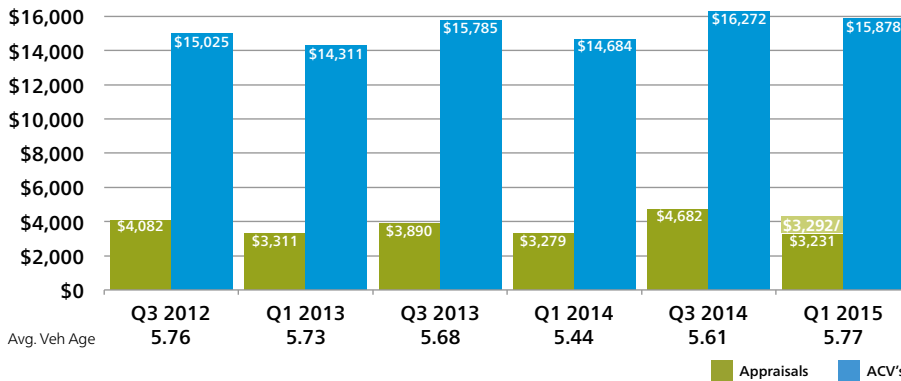
This chart compares the average appraisal make up as a percentage of dollars. These data points reflect a slight decrease in paint and materials with a decrease in labour.

Date	Q3/12	Q1/13	Q3/13	Q1/14	Q3/14	Q1/15	Pt/\$ Change	% Change
% Average Part \$	34.73	43.99	38.33	44.81	38.23	46.18	1.37	3%
% Average Labour \$	54.49	44.64	50.79	43.51	50.63	42.55	-0.96	-2%
% Paint Material \$	8.29	8.52	8.41	8.6	8.16	8.54	-0.06	-1%



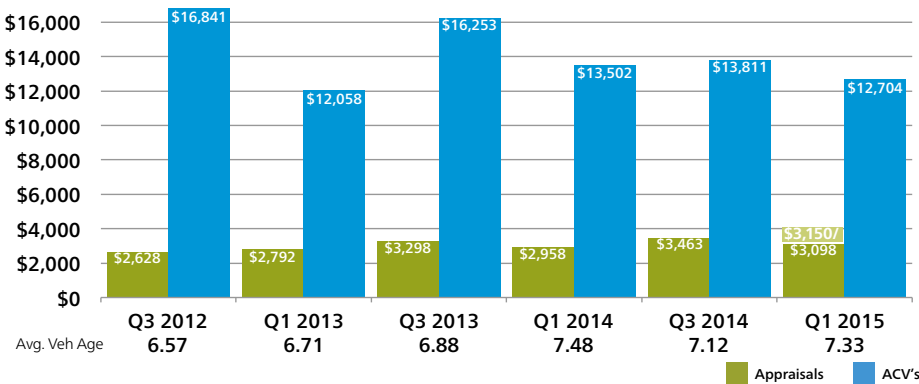
Comprehensive Losses

In Q1 2015, the average initial gross Canadian appraisal value for comprehensive coverage estimates processed through our servers was \$3,231, or \$48 lower than in Q1 2014. Applying the prescribed development factor; the anticipated final average appraisal value will be \$3,292.



Third-Party Property Damage

In Q1 2015, our Canadian industry initial average gross third-party property damage appraisal was \$3,098, an increase of \$140 from Q1 2014 on vehicles that were newer. Applying the prescribed development factor, we end up with a final value of \$3,150.



Canadian Supplements

In Q1 2015, 37.91% of all original estimates prepared by Mitchell-equipped Canadian estimators were supplemented one or more times. In this same period, the pure supplement frequency (supplements to estimates) was 73.29%, reflecting a slight decrease from the first quarter 2013. The average combined supplement variance for this quarter was \$693.55, \$77.51 lower than in Q1 2015.

Date	Q3/12	Q1/13	Q3/13	Q1/14	Q3/14	Q1/15	Pt/\$ Change	% Change
% Est Supplements	44.99	51.09	46.27	52.6	46.32	37.91	-14.69	-28%
% Supplements	53.94	77.1	62.54	75.02	61.77	73.29	-1.73	-2%
Avg Combined Supp Variance	613.42	632.9	586.84	616.04	917.21	693.55	77.51	13%
% Supplement \$	17.06	18.53	16.56	18.25	24.21	20	1.75	10%

About Mitchell in Canada...

For more than 20 years, Mitchell's dedicated Canadian operations have focused specifically and entirely on the unique needs of collision repairers and insurers operating in the Canadian marketplace. Our Canadian team is known for making itself readily available, for being flexible in its approach to improving claims and repair processes, and for its 'second to none' commitment to customer support.

Headquartered in Toronto, with offices across Canada, Mitchell Canada delivers state-of-the-art, multi-lingual collision estimating and claims workflow solutions (including hardware, networks, training, and more), world-class service, and localized support.



Canadian Adjustments

In Q1 2015, the average frequency betterment was taken on estimates decreased by 7%, and the dollar amount of that betterment decreased by 2%. Appearance allowance frequency decreased was flat and the dollar amount of those allowances decreased by 13%.

Date	Q3/12	Q1/13	Q3/13	Q1/14	Q3/14	Q1/15	Pt/\$ Change	% Change
% Adjustments Est	2.91	2.26	2.48	1.53	2.38	1.46	-0.07	-5%
% Betterment Est	2.51	2.05	2.18	1.36	2.06	1.27	-0.09	-7%
% Appear Allow Est	0.41	0.23	0.31	0.18	0.31	0.18	0	0%
% Prior Damage Est	0.03	0.02	0.02	0.05	0.09	0.11	0.06	120%
Avg. Betterment \$	241.11	229.21	242.69	226.71	270.01	221.78	-4.93	-2%
Avg. Appear Allow \$	283.44	234.29	239.6	238.35	268.37	207	-31.35	-13%

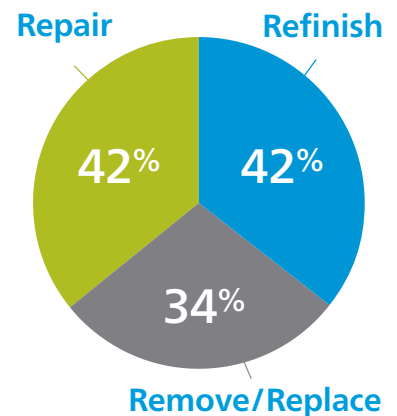
Canadian Labour Analysis

All data reflect the percentage of labour dollars utilized in the creation of Mitchell appraisals by Canadian estimators. Labour rates increased in all provinces and territories.

Average Body Labour Rates and Change by Province

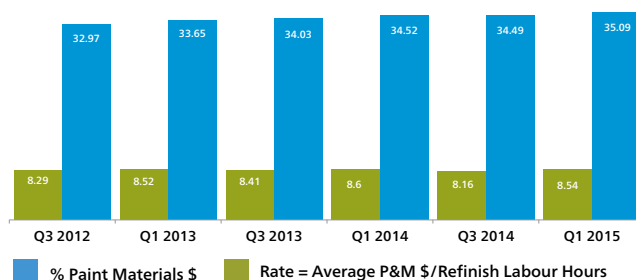
	2014	YTD 2015	\$ Change	% Change
Alberta	73.30	73.94	\$0.64	1%
Newfoundland & Labrador	61.97	62.07	\$0.10	0%
Nova Scotia	58.80	59.05	\$0.25	0%
Ontario	56.16	56.51	\$0.35	1%
Quebec	51.13	51.42	\$0.29	1%
Yukon Territory	94.15	95.63	\$1.48	2%

Labour Operations



Canadian Paint and Materials

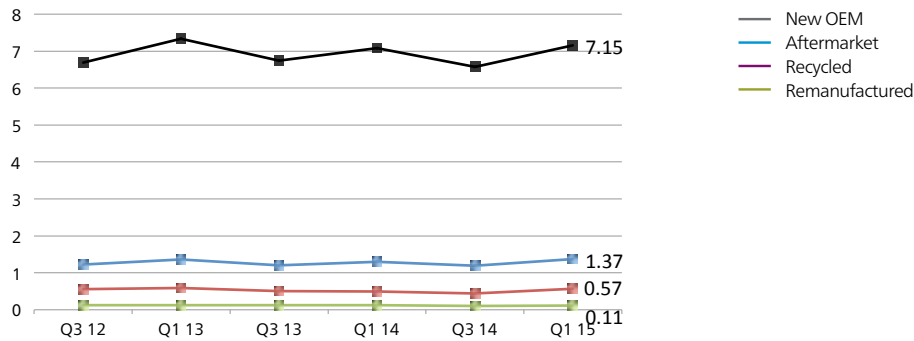
During Q1 2015, paint and materials made up 8.54% of our average appraisal value. Represented differently, the average paint and materials hourly rate rose to just under \$35.09 per hour.





Canadian Number of Parts by Part Type

We are seeing an increase in the number of new OEM this quarter as well as for A/M and recycled parts, reflecting an overall increase of parts used on repairable estimates.



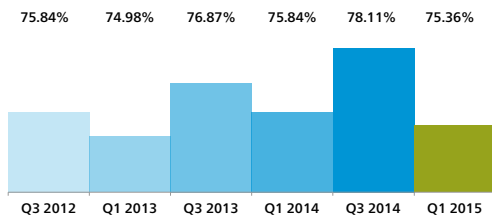
Canadian Parts Utilization

All data reflect the percentage of parts-type dollars utilized in the construction of Mitchell appraisals by Canadian estimators.

Original Equipment Manufacturer (OEM) Parts Use in Dollars

In Q1 2015, Canadian OEM parts use decreased only slightly compared to Q1 2014.

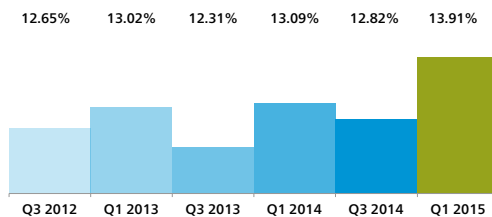
Parts-New



Aftermarket Parts Use in Dollars

Aftermarket parts use in Canada rose in the first quarter of 2015, once again topping 13%.

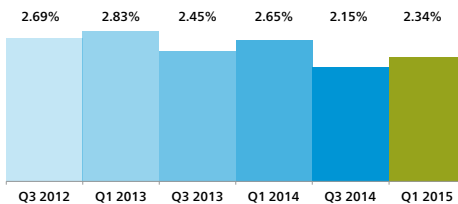
Parts-Aftermarket



Remanufactured Parts Use in Dollars

Remanufactured parts use in Canada was 2.34% for Q1 2015 compared to 2.65% in Q1 2014.

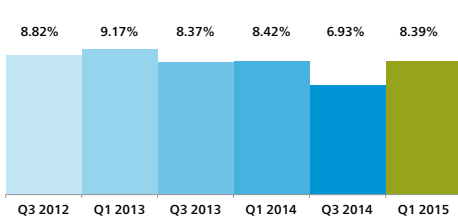
Parts-Non-New



Recycled Parts Use in Dollars

Recycled parts use in Canada decreased compared the same period last year, and is the third lowest of the quarters surveyed.

Parts-Recycled





**Mitchell San Diego
Headquarters**

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Mitchell empowers clients to achieve measurably better outcomes. Providing unparalleled breadth of technology, connectivity and information solutions to the Property & Casualty claims and Collision Repair industries, Mitchell is uniquely able to simplify and accelerate the claims management and collision repair processes.

As a leading provider of Property & Casualty claims technology

solutions, Mitchell processes over 50 million transactions annually for over 300 insurance companies/claims payers and over 30,000 collision repair facilities throughout North America. Founded in 1946, Mitchell is headquartered in San Diego, California, and has approximately 2,000 employees. The company is privately owned primarily by KKR, a leading global investment firm.

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**Autobody
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Industry Trends Report

The **Industry Trends Report** is a quarterly snapshot of the auto physical damage collision and casualty industries. Just inside—the economy, industry highlights, plus illuminating statistics and measures, and more. Stay informed on ongoing and emerging trends impacting the industry, and you, with the Industry Trends Report!

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Kontos Commentary is produced monthly by Tom Kontos, Executive Vice-President, ADESA Analytical Services. ADESA is a leading provider of wholesale used vehicle auctions and ancillary remarketing services. As part of the KAR Auction Services family, ADESA works in collaboration with its sister company, Insurance Auto Auctions, a leading salvage auto auction company, to provide insights, trends and highlights of the entire automotive auction industry.

For more information about Enterprise Rent-A-Car Average Length of Rental and to access your market and shop numbers please contact frank.r.laviola@ehi.com

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