

Industry Trends Report

FEATURED IN THIS ISSUE:

When Do Storms Impact Collision Losses?

By **Greg Horn**

Vice President of Industry Relations, Mitchell





Industry Trends Report

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A Message from the CEO

The Forces of Nature Collide with the Forces of Data in this Edition.

Welcome to the Q2 Edition of the 2014 Auto Physical Damage *Mitchell Industry Trends Report*. This quarter's feature article *When Do Storms Impact Collision Losses?* (appearing on page 4), takes an interesting view of the dramatic effect harsh winters may have on the frequency and severity of collisions. Author Greg Horn leverages multiple years of data and analytics to give you a broader view into collision trends that emerge during the winter season, and I believe you will find data provided as a valuable tool within your business.

As mentioned in the article, using data analytics and historical information that apply during any season can help increase predictability of losses and repairs, while accelerating and strengthening your ability to resolve collision claims and restore lives faster. By anticipating surges in seasonal vehicle damage, based on comprehensive data, you can make better decisions that create better outcomes.

We take a similar approach to the work we do in our ClaimsLab division here at Mitchell. With a dedicated team of analytics professionals, we're focusing on new ways of transforming data to reveal answers and solutions that can further empower our clients.

I hope you enjoy this edition of the *Industry Trends Report*, and I thank you for your continued readership.



Alex Sun
President and CEO
Mitchell



Alex Sun

President and CEO, Mitchell

[Click here to view
Casualty Edition](#)



When Do Storms Impact Collision Losses?

By **Greg Horn**
Vice President, Industry Relations, Mitchell



Modern weather forecasting predicted the storms, but does it keep drivers off the road?

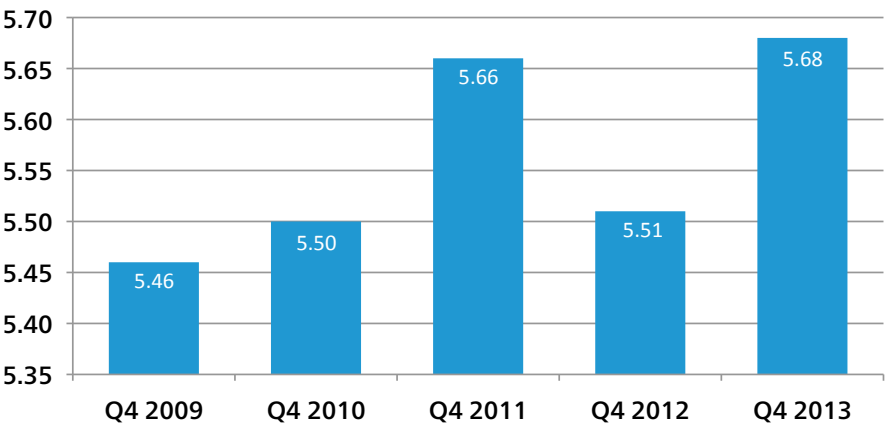
I think everyone has tired of the harsh winter we have endured. One commentator summed it up best when he said, “This winter was amusing at first, but it is now just annoying and should leave.” Indeed, heavy storms have taken a toll on our mood and our automobiles. While many of us in the auto insurance and repair business associate the word

‘catastrophe’ with hail losses, after this past season, I wanted to examine the impact a brutal winter can have on collision frequency and severity. Modern weather forecasting predicted the storms, but I wondered, did it keep drivers off the road or, as was the case in Atlanta, did the severity of the storm catch commuters by surprise?

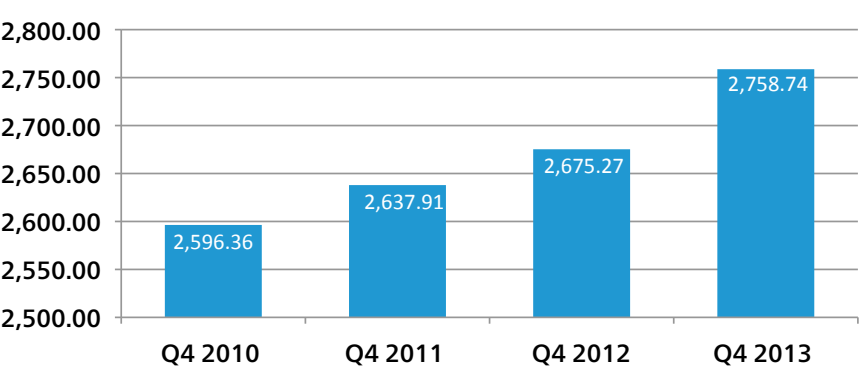
Specifically, I was interested in learning whether there was an increase in the average severity of repairable vehicles. Or, was there a trade-off, a situation where more vehicles were totaled during these storm periods, which kept repairable severity intact? To examine these factors, I enlisted the assistance of the Property Casualty Insurers Association (PCIA) to look at national frequency numbers for the past three winter seasons, and I used Mitchell’s repairable collision severity data for the corresponding areas and time

periods. National numbers will dilute regional spikes caused by severe winters in a handful of states, but if the increases are big enough in those few states, we should see a slight impact on the national volume and severity. PCIA provided the data they collected, however as I was writing this article, the national frequency numbers for the first quarter of 2014 were not available. To compensate, I used Mitchell’s volume of estimates, written as a proxy for the claims frequency data.

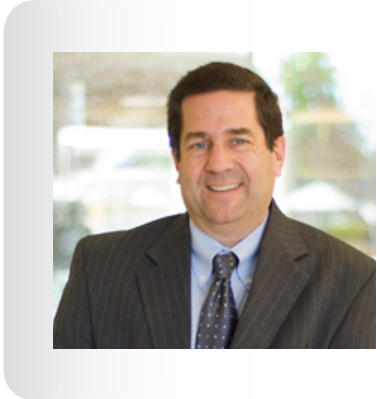
National fourth quarter collision claim frequency per 100 cars



National fourth quarter collision severity for repairable vehicles



About the author...



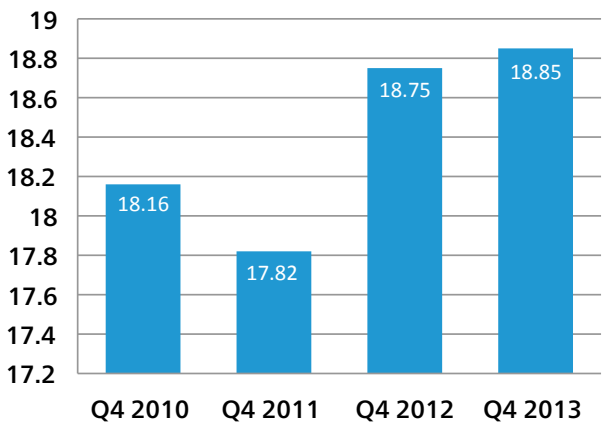
Greg Horn
Vice President, Industry Relations,
Mitchell

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

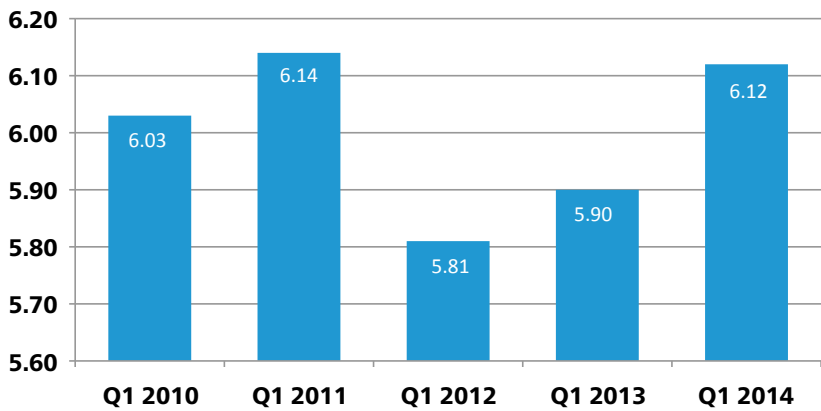
In this role, Greg assists the Mitchell sales force in providing custom tailored business solutions to the Property and Casualty Claims and Automotive Collision Repair industries.

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 GM Safety Committee. Prior to GMAC, Greg served as Director of Material Damage Processes for National Grange Mutual in Keene, NH.

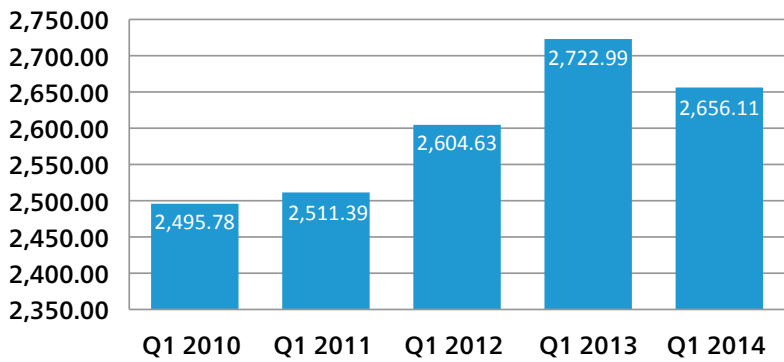
National fourth quarter total loss frequency



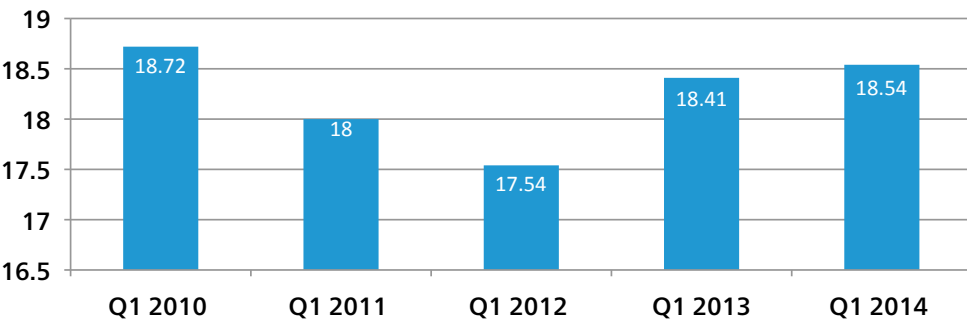
National first quarter collision frequency per 100 cars



National first quarter collision repairable severity



National first quarter total loss frequency



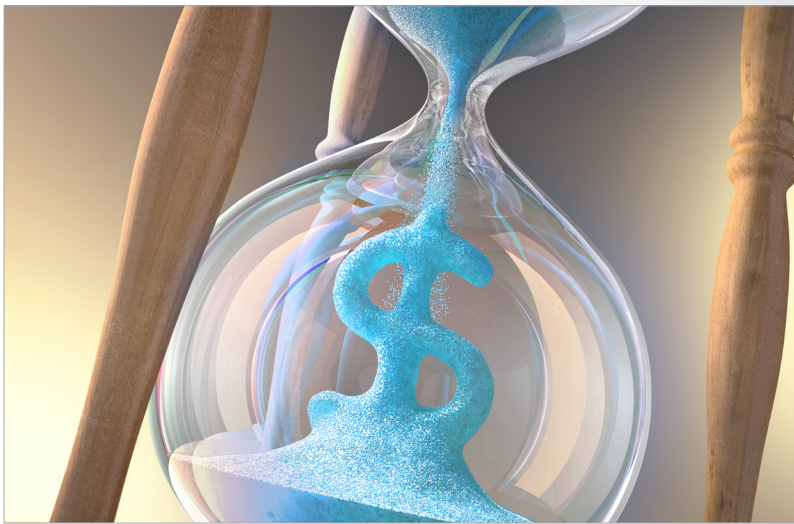
What do these data points tell us? In the case of claims frequency, the first quarters consistently had a higher collision accident frequency than the fourth quarters, which makes sense, because winter storms typically occur in January, February and March. Conversely, the fourth quarters surveyed had consistently higher repairable severity, as well as a higher total loss frequency. From this exercise, I concluded that, in general, winter storms are leading to higher repairable costs and more total losses than they had in the recent past. As an insurer or collision repairer, how will you prepare for these trends next winter, especially in the fourth quarter when your ability to handle workloads is already stressed by the holidays and staff vacations?



Length Of Rental Continues Upward Trend in Q1 2014

By Frank LaViola

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



Several factors can influence LOR, including weather, the economy, average age of vehicles and various other delays.

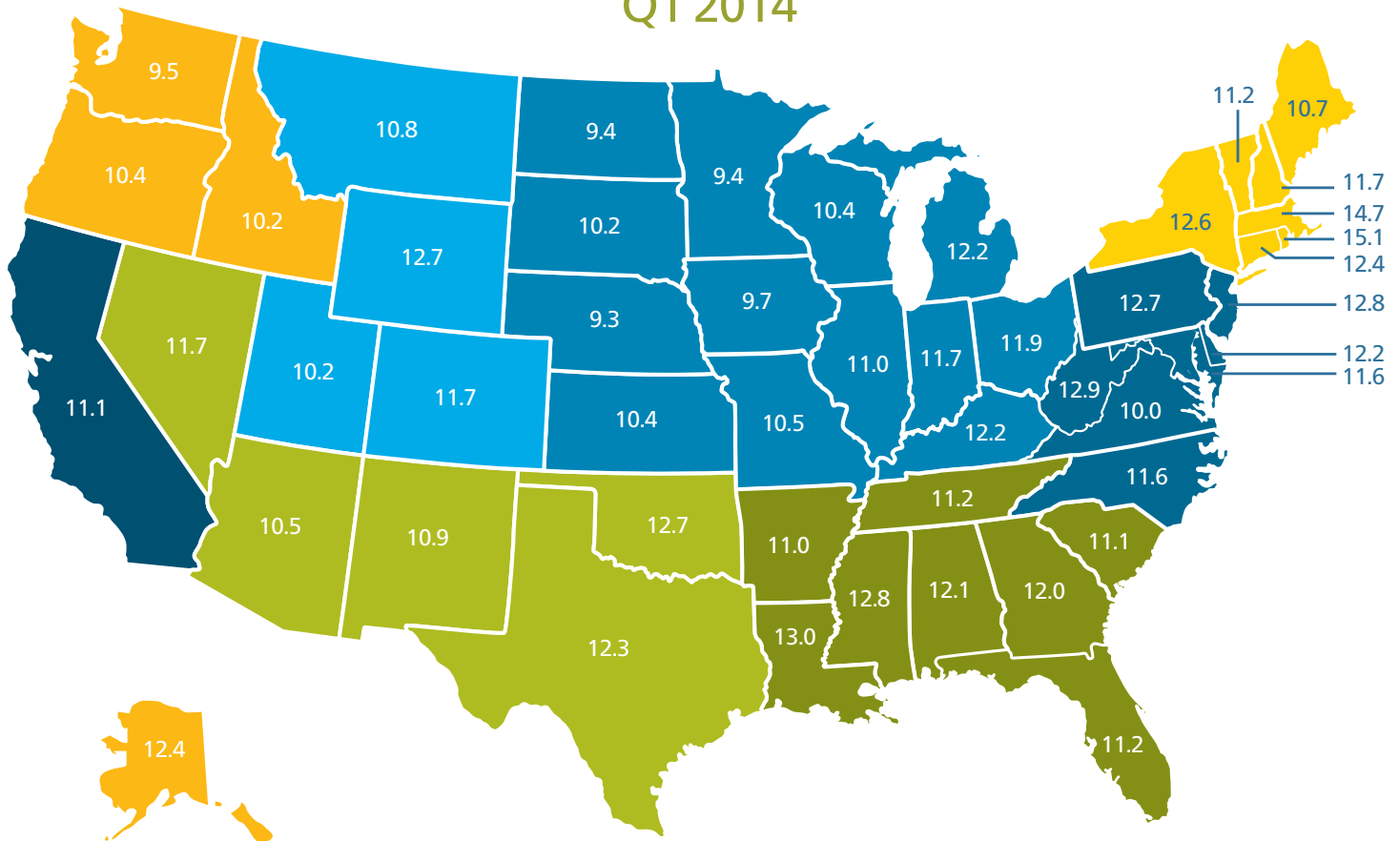
The industry average length of rental (LOR), used as a proxy for cycle time, was 11.6 days for the United States in the first quarter of 2014. This represents the highest length of rental in Q1 over the past five years, as rental length increased by 0.6 days from Q1 2013. Significant weather events, such as the "Polar Vortex," as well as severe ice and snowfall conditions throughout the country undoubtedly had the majority of the impact.

Several factors can influence LOR, including weather, the economy, parts availability and fit, repair shop conditions and processes, repair versus replace decisions, average age of vehicles and various other delays. It will be interesting to see the effects of the new aluminum-bodied Ford F150 pickup in the coming year(s), as the majority of collision repair centers are not equipped to handle the repair process. Technology and OEM certifications will undoubtedly also have the potential to significantly impact LOR in the near future.

Comparing Q1 2014 LOR to Q1 2013 LOR, only the California region showed a decrease in LOR, dropping 0.1 days. California LOR also was down by one full day compared to Q1 2009. Southern California continued to have a higher LOR at 11.4 days compared to both the Sacramento area at 10.2 and the Bay area at 10.1 days.

LOR in the Mid-Atlantic Region was 11.7 days, up 0.9 days from Q1 2013.

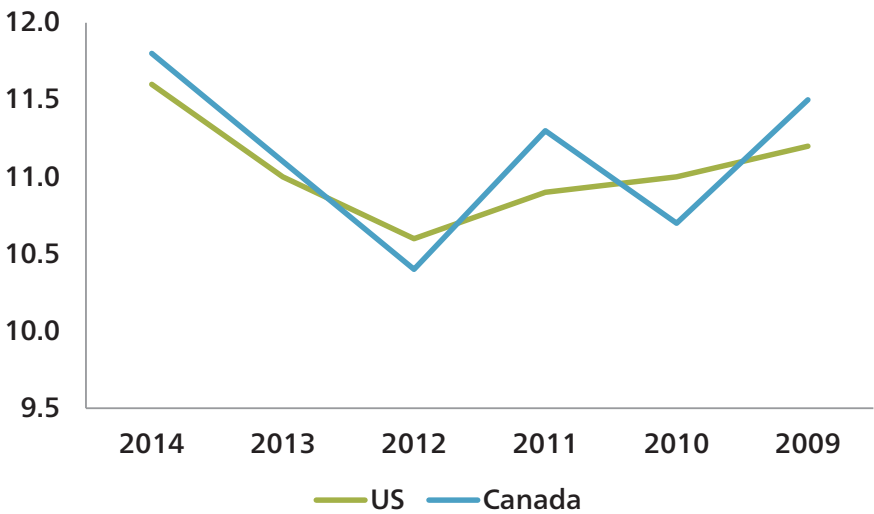
U.S. Average Length of Rental by State Q1 2014



It will be interesting to see the effects of the new aluminum-bodied Ford F150 pickup in the coming year(s).

| Overall U.S. LOR | |
|------------------|------|
| 11.6 | |
| Region | LOR |
| California | 11.1 |
| Mid-Atlantic | 11.7 |
| Midwest | 11.2 |
| Mountain | 11.3 |
| Northeast | 13.0 |
| Northwest | 9.8 |
| Pacific | 10.9 |
| Southeast | 11.6 |
| Southwest | 12.0 |

Average Length of Rental for Repairable Vehicles



The largest state increase was South Dakota, up a whopping 2.5 days from Q1 2013 to 10.2.

This is also an increase of two full days from the Q1 low of 9.7 days in 2012. The states with the largest increases from Q1 2013 to Q4 2014 were Pennsylvania at 12.7 days and Delaware at 12.2, both up 1.3 days. Meanwhile, Maryland and North Carolina increased 1.2 days to 11.6. Virginia led the region with the lowest LOR at 10.0 days, while West Virginia was the highest at 12.9 days.

The frigid Midwest Region LOR averaged 11.2 days in Q1 2014, compared to 10.2 days in 2013. The largest increases by state were South Dakota, up a whopping 2.5 days from Q1 2013 to 10.2; and Indiana, up 1.3 days from Q1 2013 to 11.7. Minnesota, Illinois, Michigan and Wisconsin all added a full day or more in LOR from Q1 2013. Nebraska held the spot for the lowest LOR in Q1 2014 at 9.3 days, with North Dakota and Minnesota at 9.4 days. As stated in last quarter's Industry LOR article, record cold temperatures impacted this region. We should see some return to normalcy as shops get caught up in the next month or so.

The Mountain region increased 0.8 days from Q1 2013 and eclipsed

the 11-day mark for the first time, coming in at 11.3. Wyoming experienced the largest increase in LOR, up 2.1 days to 12.7 in Q1 2014. Utah saw a minor increase of 0.2 days to 10.2, while Colorado climbed 1.2 days to 11.7 and the Big Sky State of Montana was up a modest 0.7 days to 10.8.

The Northeast region once again led the country with the highest LOR at 13 days. The region's increase was a modest 0.4 days considering the extreme snow and weather conditions it experienced. Rhode Island holds the distinction of having the highest LOR in the country at 15.1 days in Q1 2014, up from 14.2 in last year's Q1. The largest increase came from Vermont, up 1.2 days from Q1 2013 at 11.2 overall.

The Northeast region once again led the country with the highest LOR at 13 days.

Vermont was the only state in the Northeastern region to experience more than a full-day increase.

Average Length of Rental for Repairable Vehicles

New York and Connecticut grew by only 0.2 days from Q1 2013, to 12.6 and 12.4 respectively. Maine took the spot of lowest in LOR in the region at 10.7 days.

The three Northwestern states continued a five-year trend of being below 10 days in typically harsh first quarters, coming in at 9.8 days to match Q1 2013. This also makes five years running where the Northwest region led the country with the lowest LOR. Washington and Idaho decreased by 0.3 days and 0.2 days to 9.5 and 10.2 days respectively. Oregon saw the only increase at 0.6 days to 10.4 days but was significantly lower than its 11.1 plateau in 2009.

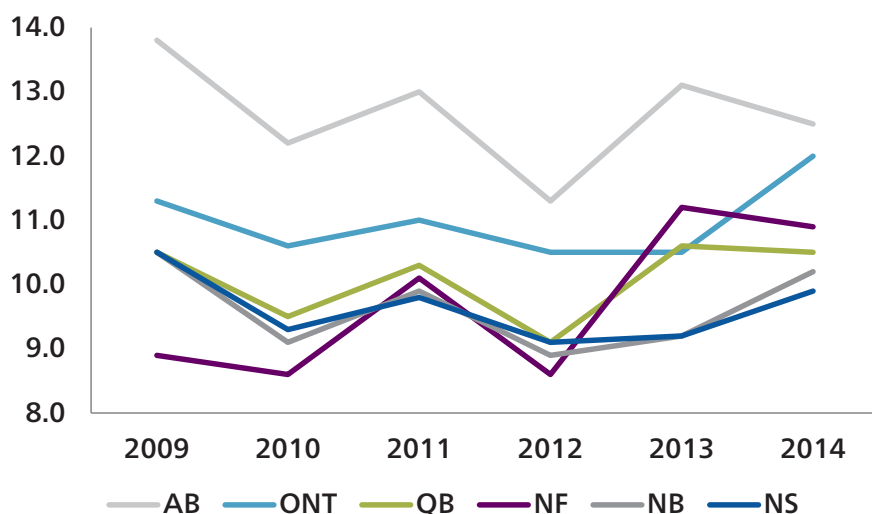
The typically warmer Southeast region hit its highest Q1 LOR in six

years at 11.6 days, an increase of 0.7 days from Q1 2013. Severe ice and snow in typically mild winter states such as Georgia had a significant impact. Georgia increased the most in the region for Q1 2014 to 12.0 days, up 1.3. Louisiana saw no increase from Q1 2013, coming in at 13 days but still the highest LOR for the region. Mississippi came in at the second highest for the region at 12.8 days, up 1.1 days from Q1 2013. Florida's LOR increased the least for the region, up 0.5 days to 11.2.

Severe ice and snow in typically mild winter states such as Georgia had a significant impact.



Average Length of Rental for Repairable Vehicles



Arkansas led the region with the lowest LOR at 11.0 days, up 0.9 from Q1 2013 and edging out South Carolina, which came in at 11.1 days.

The second highest LOR in the nation belongs to the Southwest Region at 12.0 days for Q1 2014. This marked the first Q1 in six years that the LOR for this region eclipsed 12 days. Oklahoma led the region with the highest LOR at 12.7 days, up the most for this region from 11.6 in Q1 2013. Texas was not far behind at 12.3 days, up 0.8 days from 2013 Q1. The states of Arizona and New Mexico decreased 0.2 days and 0.3 days respectively compared with 2012 Q1. In addition, Arizona's LOR

of 10.5 days was down 0.3 from 2009, while New Mexico at 10.9 days decreased 0.5 days from 2009.

Finally for the U.S., Alaska's LOR was 12.4 days, an increase of 0.8 days from Q1 2013 and up 0.2 days from Q1 2009. Hawaii continued a downward trend in LOR at 10.2 days, down 0.1 from Q1 2013 and 0.2 from Q1 2009.

Due to a significant amount of interest in Canadian LOR we have included a six-year trend Graph. As can be seen from the graph above as well as the provincial map, LOR in Canada followed the same Q1 trend as the U.S., rising 0.7 days

from Q1 2013. British Columbia, Saskatchewan and Manitoba are excluded due to the presence of government insurers ICBC, MPI and SGI.

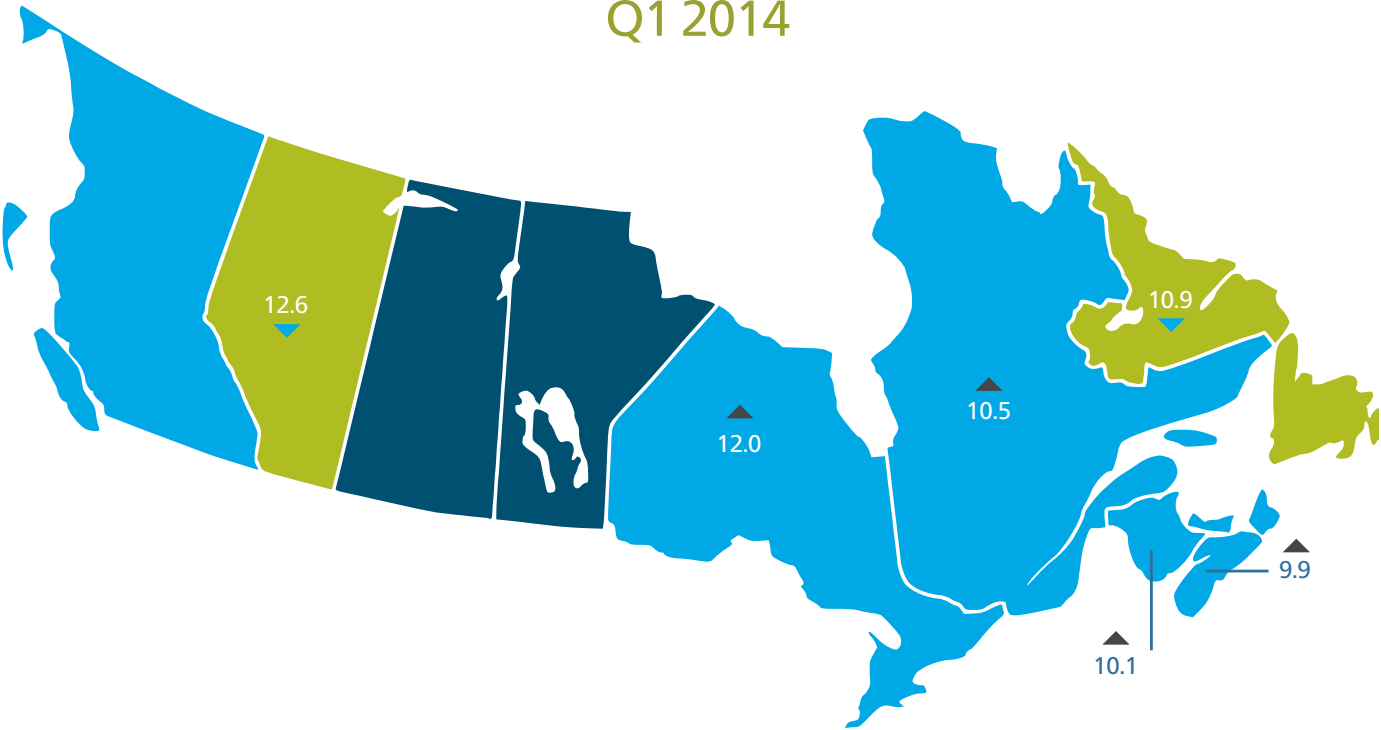
Heavy snow and catastrophic claims from ice storms were the story of Q1 2014 in Canada. Ontario had the highest increase in LOR from Q1 2013, up 1.5 days to 12.0 overall. It should be noted that Canadians have two years to file their catastrophic claims, and in Alberta the LOR decreased 0.7 days to 12.6. Hail in 2011 and hail and floods in 2013 affected the LOR in this province.

Snowy weather in the Maritimes led New Brunswick to experience an increase of 0.8 days to 10.1, and Nova Scotia climbed 0.6 days to 9.9. Newfoundland was able to decrease 0.3 days to 10.9 from 11.2 in Q1 2013.

Heavy snow and catastrophic claims from ice storms were the story of Q1 2014 in Canada.

Canada Average Length of Rental by Province

Q1 2014



The quarterly LOR summary is produced by Frank LaViola, Assistant Vice President Collision Industry Relations, at Enterprise Rent-A-Car. Frank has 21 years of experience with Enterprise and has worked in the collision industry segment for the past 7 years. 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 | |
|-------------------------|----------|
| 11.0 | |
| Region | LOR Days |
| Alberta | 12.6 |
| Ontario | 12.0 |
| Quebec | 10.5 |
| Newfoundland | 10.9 |
| New Brunswick | 10.1 |
| Nova Scotia | 9.9 |



Year over year change

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

Common and Costly Car Repairs

America's auto repair business is expected to grow 1.2% annually over the next five years, according to a 2012 industry report from SBDNet.org. By 2017, auto shop industry revenues will reach \$54.7 billion. An improving economy and advances in auto manufacturing technology requiring more skilled mechanics who can demand higher prices are among the factors that will drive the growth. So will repairs like these, which include the most common and some of the most expensive.



Replacing oxygen sensors accounted for 9.43% of all auto shop repairs in 2010, at an average cost of \$238.71.



At 28% and 20% respectively, front and rear bumpers are the most frequently damaged parts collisions.



When a catalytic converter fails, replacing it can cost nearly \$2,700. In this case, it's the part not the labor that runs up the bill. Catalytic converters contain platinum, palladium and rhodium, three of the most precious metals on earth.



Loose or missing gas caps, which trigger "check engine" lights, were responsible for 9.28% of auto shop fixes. Ignoring the problem can cost more than the 80-cent average fix because it decreases gas mileage by 0.5%.



Repairing or replacing a failed cylinder is among the most costly of all auto repairs. Pricey parts and the need to disassemble the engine can rack up a repair bill of \$8,000 or more.



The fuel savings from a hybrid car can quickly evaporate if you have to replace the battery. Because it is often bundled with an integrated motor-assist battery, changing one means changing both, to the tune of about \$2,700.

¹"The 10 Most Common Car Repairs," <http://autos.yahoo.com/news/10-most-common-car-repairs.html>

²"The 10 Most Expensive Car Repairs," <http://editorial.autos.msn.com/10-most-expensive-car-repairs>

³"Top 10 Check Engine Light Repairs," <http://www.bankrate.com/finance/auto/top-10-check-engine-light-car-repairs-1.aspx>

⁴"CRASH! The Most Often Damaged Auto Parts in Collisions," <http://www.answerfinancial.com/insurance-center/crash-the-most-often-damaged-auto-parts-in-collisions-infographic>

The Numbers Don't Lie, But They Can Mislead

From Property Casualty 360

Publish Date: November 23, 2013



Measuring auto physical damage estimating performance by benchmarking Key Performance Indicators has been in place since the advent of electronic estimating began. So too, have misunderstood metrics and efforts by appraisers to 'game' the numbers. This seems especially true when it comes to measuring parts performance.

The 'industry standard' metric of measuring the percentage of parts dollars spent by part type has been used by many insurers as the sole way of measuring this performance for years, despite having an inherent flaw. Any time

you measure the percentage of something, you have to watch not only the numerator of your equation, but also the denominator. A simple example of this is taking a \$1,000 parts spend. If you have a recycled part that is \$200, the percentage of parts dollars for recycled parts is 20%. However, if we find a less expensive part, let's use \$100, we would change the numerator to 100, but the denominator also changes to 900, meaning our percentage of parts dollars for recycled parts is now 11%.

This would lead appraisers judged

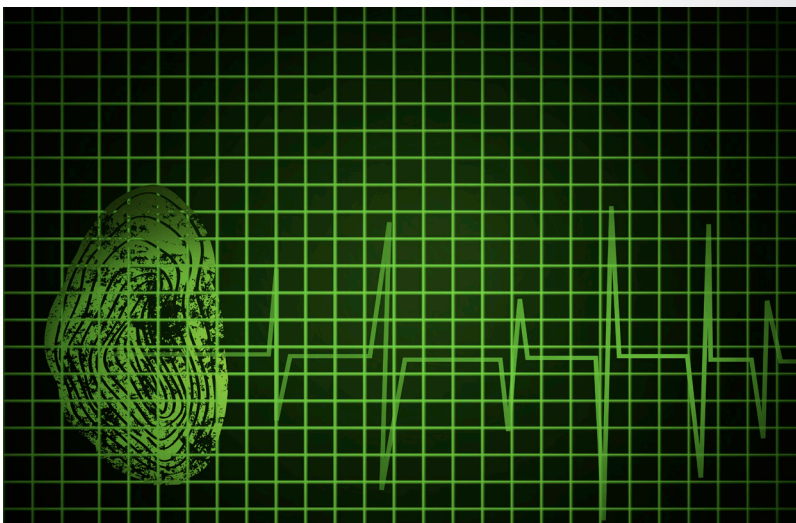
by this metric to find the most expensive alternate part in order to increase this metric. To offset this flaw, many carriers have also begun looking at the number of parts by part type as a secondary metric. This allows another look at parts performance, but also has lead appraisers anxious to perform well to choose 'aftermarket' as the part type for sublet operations that include parts such as cover car, or recharge A/C or pin striping in order to bump up their alternate parts performance. Worse still, I have found appraisers that simply change the part type from OEM to Aftermarket or Recycled and leave the new OEM price the same, merely to increase their alternate parts performance.

The solution? Most estimating platforms can provide a 'delta' metric which measures the difference in price between the OEM and the alternative part chosen. This allows a way to uncover appraisers 'gaming the system' by the relabeling of parts to aftermarket. By looking at all three aspects of parts performance a more complete picture of behavior can be seen.

California Legislation on Vehicle Data Access Pits Insurers Against Automakers

From Collision Week

Publish Date: April 2, 2014



Our cars are quickly becoming mobile computers...it is imperative that there are basic safeguards in place to ensure consumers can decide who has access to their data.

Proposed Consumer Vehicle Information Choice and Control Act would require vehicle manufacturers to disclose data generated by vehicles and provide registered owners access and the right to distribute to 3rd parties. Prohibits data from being downloaded without permission of owner.

California Senate Bill 994 (SB994), the Consumer Vehicle Information Choice and Control Act, introduced in February by Senator Bill Monning, would require a manufacturer of any new motor vehicle sold or leased in this

state on or after January 1, 2016, that generates or collects vehicle information to disclose to the registered owner the generation and collection of that information. The bill also requires manufacturers provide access to the data to registered vehicle owners and the ability to access and communicate the data to third parties.

Access to telematics information is seen as crucial for the continued development of pay-as-you drive insurance products and its evolution into pay-how-you-drive, that takes into account more detailed driving behavior enabled

by access to sensor data available in modern vehicles.

On March 18 Senator Monning was joined by the Automobile Club of Southern California, AAA of Northern California, consumers, and business leaders to draw attention to the bill before the Senate Transportation and Housing Committee. The bill is set for a hearing on April 8.

"Our cars are quickly becoming mobile computers, and while this technology provides several important benefits to consumers, it is imperative that there are basic

safeguards in place to ensure consumers can decide who has access to their data,” said Monning. “The modern connected car can greatly improve safety, enhance convenience and lower costs, but it can also tell automakers other personal information that consumers should have more control over. SB994 will provide car owners disclosure, access, and choice when it comes to their car’s information.”

“On behalf of 10 million California consumers, the AAA clubs believe car owners should have basic rights in controlling their own data,” said Alice Bisno, Senior Vice President of the Automobile Club of Southern California. “Just like a smart phone or computer, consumers should be allowed to know what information is being collected and decide who has access to their information. As more cars become connected cars, and as more information gets transmitted to carmakers, this issue needs to be addressed now.”

Last year, AAA surveyed their members and other consumers. 79 percent of the respondents agreed that “consumers always should be able to decide if information generated about their car can be shared and with whom.” 85 percent believed that we should have “laws to protect consumers’ right to their car information.”

Automakers oppose legislation

Vehicle manufacturer associations are opposing the legislation. In a statement r Michael J. Stanton, President and CEO of the Association of Global Automakers Global Automakers’ President and CEO explained, “Global Automakers is disappointed that AAA has unilaterally introduced SB994, a bill that is unworkable. AAA has not done their homework to understand what auto manufacturers are already doing to protect consumers and their data.”

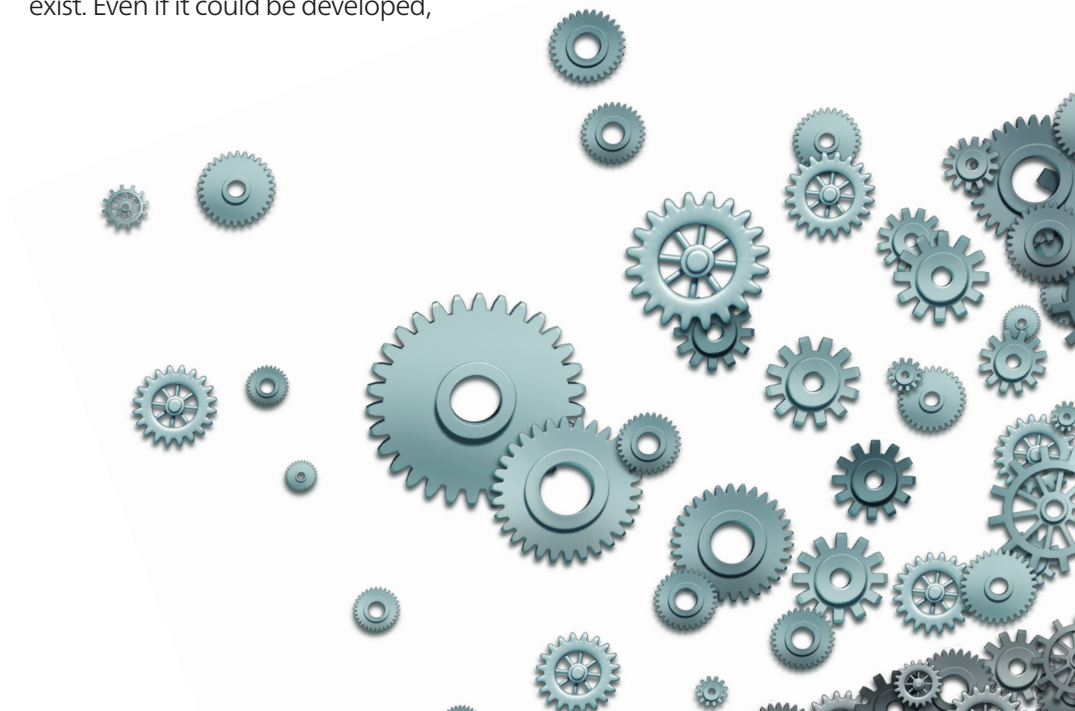
“The bill sets unrealistic technology requirements. Through this legislation, AAA is mandating automakers to re-design vehicle electronic systems to allow open access to its safety and telematics data to any third party. The technology AAA would require under SB994 does not currently exist. Even if it could be developed,

there is no way to ensure that vehicle owners and drivers are sufficiently protected from cyber-attack,” continued Stanton.

The statement concluded, “The aim of SB994 is to protect AAA, not consumers. We strongly urge the legislature to reject this bill.”

The Alliance of Automobile Manufacturers CEO Mitch Bainwol went further calling the legislation SB994 “AAA Insurance Data Grab” bill.

“‘AAA’s Data Grab’ is a dangerous gambit to gain access to motorist data to share across its 50 affiliates for commercial purposes. AAA would also be able to gain access to driving behavior relevant to their insurance policies,” stated Bainwol.



Largest Insurers Add Market Share in 2013

From Collision Week

Publish Date: April 3, 2014



The largest private passenger auto insurers gained market share in 2013, though the decline in 2012 has not been recouped. There has been a change in ranking among the top five auto insurers.

Since 2000, the largest 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 81 percent of overall.

According to the final 2013 market share report from the National Association of Insurance Commissioners (NAIC) the top five private passenger auto insurers in 2013 are growing again after experiencing a decline in 2012. In 2013, the top five accounted for 52.64 percent of the premiums written last year, up just over half a point from the 52.09 percent of the market they held in 2012.

The data released last year by the NAIC 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 to the right indicates, there has been a change in the rankings of the top five, with Allstate, the perennial second largest auto insurer behind number one State Farm, dropping to third place for the first time, behind GEICO. As the table indicates, in 2000, Allstate's market share was reported at 11.8 percent of the U.S. market. Today, that share stands at 9.95 percent, a drop of 1.85 points or 15.7 percent during the period.

Conversely, the Berkshire Hathaway Group's private passenger auto business, dominated by its GEICO brand, has grown from 4.7 percent of the market in 2000 to 10.26 percent in 2013. This represents an increase of 5.6 points or 118.3 percent growth since the turn of the century.

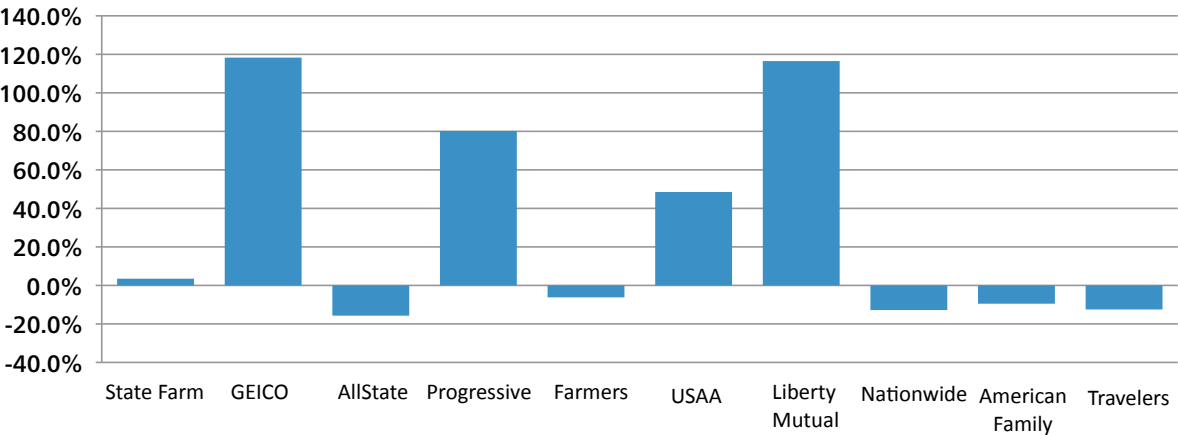
Out of the top five insurers in 2013, Allstate and Farmers are the two that have lost some market share in the years since 2000, according to NAIC's numbers. The biggest gainers among the top five have been GEICO and Progressive.

State Farm, the largest auto insurers, saw its share increase slightly in 2013, up to 18.52 percent of the market from 18.37 percent in 2012. State Farm remains down just over 1 point from 2011 when they accounted for 19.57 percent of the market.

| Private Passenger Auto Groups | | Market Share Percent | | | | | |
|-------------------------------|---------------------|----------------------|-------|-------|-------|-------|------|
| Rank | Sorted by 2013 Rank | 2013 | 2012 | 2011 | 2010 | 2009 | 2000 |
| 1 | State Farm | 18.52 | 18.37 | 19.57 | 18.68 | 18.42 | 17.9 |
| 2 | GEICO | 10.26 | 9.58 | 9.54 | 8.51 | 7.69 | 4.7 |
| 3 | Allstate | 9.95 | 10 | 10.85 | 10.19 | 11.21 | 11.8 |
| 4 | Progressive | 8.47 | 8.26 | 8.34 | 7.71 | 6.94 | 4.7 |
| 5 | Farmers | 5.44 | 5.88 | 5.01 | 5.97 | 6.28 | 5.8 |
| 6 | USAA | 5.05 | 4.83 | 4.83 | 4.36 | 4.63 | 3.4 |
| 7 | Liberty Mutual | 4.98 | 4.73 | 4.78 | 4.5 | 4.36 | 2.3 |
| 8 | Nationwide | 4.01 | 4.08 | 4.26 | 4.22 | 4.36 | 4.6 |
| 9 | American Family | 1.9 | 1.89 | 1.89 | 1.94 | 2.18 | 2.1 |
| 10 | Travelers | 1.75 | 1.94 | 2.19 | 2.11 | 1.87 | 2 |
| Total Share Top 5 | | 52.64 | 52.09 | 53.31 | 51.06 | 50.54 | 44.9 |
| Total Share Top 10 | | 70.33 | 69.56 | 71.26 | 68.19 | 67.94 | 59.3 |
| Total Share Top 15 | | 76.52 | 75.78 | 77.73 | 74.57 | 74.65 | 66.8 |
| Total Share Top 25 | | 80.98 | 83.28 | 84.91 | 81.98 | 82.56 | 76.5 |

Source: National Association of Insurance Commissioners
Analysis: CollisionWeek

Ten Largest Private Passenger Auto Insurers Market Share Percentage Growth 2000–2013



Source: National Association of Insurance Commissioners

Looking at our chart showing the market share percentage growth from 2000–2013 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.

The Future is Hot Formed

Carmakers are looking to a newer hot stamping process over cold rolling

From ABRN

Publish Date: January 28, 2014



The hot stamping process converts low-tensile-strength metal to a very high-strength steel.

It was cold and bends made it strong

Since the beginning of vehicle construction, the majority of steel panels and structure came from cold rolled steel. Just what is cold rolling? Cold rolling is a metal working process in which metal is deformed by passing it through rollers at a temperature below its recrystallization temperature. Cold rolling increases the strength and hardness of a metal by introducing defects into the metal's crystal structure.

Cold rolling is most often used to decrease the thickness of plate and sheet metal.

But in today's world, car makers are focusing on alternative materials for construction, but also refocusing on altering the steel itself. A newer process, called hot stamping or press hardening, is the process of forming metal while it is very hot (in excess of 900 degrees C) and then quenching it (cooling it quickly) in the die. The process converts low-tensile-strength metal

to a very high-strength steel (150 to 200 kilopounds per square inch (KSI).

Baking in strength

The press-hardenable material primarily boron steel or aluminized steel, is heated to more than 900 degrees in an oven in the first stage of the press line. The material is transferred quickly to a press, and the part is formed while the material is very hot. Then the part then is rapidly cooled by being held in a water-cooled die cavity for a

few seconds at the bottom of the press stroke.

Hot stamping sounds pretty simple; heat up a steel sheet until it is red-hot, stamp it into a form, and keep it there for a few seconds while it cools. But in the case of modern hot stamping, relatively complex formed and angled parts can be formed in a single-step stamping process. Additionally what is created is a fairly intricate part that is much stronger and lighter. For example, Boron steel, in its original state, has tensile strength of around 50 KSI but is about 200 KSI after it is hot-formed.

Complexity can simplify

Because hot stamping allows the forming of complex parts in one stamp stroke, multi-component assemblies can be formed as one component, eliminating some

subsequent joining processes such as welding. However, new techniques are required for the repair of ultra-high strength, hot-formed steel. Straightening and reshaping of even minor deformations are not possible due to the high-tensile yield strength and the rebound effect of hot-formed steel. A damaged component must be completely cut out and/or partially replaced in accordance with the manufacturer's specifications.

The use of butt welding to repair ultra-high-strength hot-formed steel can cause weakness in the repair because of micro-structural changes arising from heating the steel during the welding process. To help ensure optimum repair integrity, most vehicle makers have service solutions were incorporated during the development of the

body structure that allow affected components to be replaced wholly or partially in special parting sections.

It's not just for exotics

Hot formed steel is being used by many car makers on entry level cars as a way of saving weight and strengthening critical components such as A and B pillars. So it is critical in the repair estimating process that this type of steel is identified in order to carry out a proper repair. If traditional cut out and butt welding repair will cause the structure to be weak and throw off air bag timing causing potentially fatal consequences. Knowing the manufacturers repair procedures has always been important, but now it can mean the difference between life and death.



Massive Training Campaign Builds for Aluminum F-150

Collision-repair group plans effort with Ford

From Automotive News

Publish Date: February 17, 2014



Repair shops need to have different tools to perform some aluminum structural repairs

By the time the 2015 aluminum-body Ford F-150 hits dealerships in the fourth quarter, thousands of collision repair technicians, insurance estimators, Ford field staffers and others will have gone to school in one of the biggest industry training programs ever.

The F-150 is the biggest-selling vehicle in the United States, and Ford wants to be sure there are

collision repair specialists who know what they're doing the first time a wrecked one rolls into a shop.

When aluminum is bent or broken, it behaves differently than steel. Repair shops need to have different tools to perform some aluminum structural repairs, and Ford strongly recommends they set up separate areas for working on aluminum because of steel-aluminum contamination issues.

I-CAR, (the Inter-Industry Conference on Auto Collision Repair) in Hoffman Estates, Ill., a nonprofit organization that trains and certifies repair technicians, will administer the training in conjunction with Ford. The automaker will cover the cost of training for one technician per dealership. Dealerships that want to have more than one trained technician will pay the additional training expense.

Ford's effort to get technicians trained before the vehicle's launch is unprecedented

I-CAR is mobilizing a staff of at least 200 instructors, who went through a training program of their own.

"It's definitely a big undertaking, but it will not stress our capability," said Jason Bartanen, I-CAR's director of industry technical relations, "We've been preparing for this a couple of years"

He added that I-CAR has done training for Jaguar and Audi, both of which offer aluminum-body models, albeit in low volumes. I-CAR also prepared a program for about 2,000 Chevrolet dealers for the 2006 Corvette Z06.

Training costs will vary depending on the experience of a technician, but I-CAR says the two-day course will cost a little less than \$1,000 per individual. The course will be taught in two parts: a general session on aluminum repair techniques and a session specific to the F-150.

Bartanen said Ford's effort to get technicians trained before the vehicle's launch is unprecedented.

"The Corvette training was released [between] 6 and 12 months after the release of Z06, is when we finally had a course available," he said. "For the F-150, we're going to have thousands of technicians available when that first vehicle pulls off the lot. That's a first for I-CAR, and I'm pretty proud of that."

Among the training requirements will be a weld test in which technicians will be asked to perform six welds from two different positions. I-CAR welding experts will travel to dealerships and repair shops to be sure that they have acquired the proper aluminum-handling equipment, and that it is installed properly, Bartanen said. The equipment will include such items as metal inert gas welders, rivet guns and vacuums to pick up aluminum dust.

Ford has said dealership collision repair technicians can start classes in May, and independent repair shops can start in June. Roughly 20 percent of all Ford dealerships have body shops; the rest outsource the work.

Technicians aren't the only ones who need a better understanding of the aluminum repair process. Insurance adjusters need education, too. Said Bartanen: "This training will be open to the insurance industry so insurance adjusters will know what to do and can write more accurate damage assessments in the field."

You can reach Bradford Wernle at bwernle@crain.com.



The Economy & Short-Term Energy Outlook



Economic Situation Review

The Federal Open Market Committee (FOMC) concluded at its January 28–29, 2014 meeting that the rate of economic growth picked up in the second half of 2013. The unemployment rate declined but remained elevated. Consumer price inflation continued to run below the Committee’s longer-run objective and measures of longer-term inflation expectations remained stable.

Labor market indicators were consistent with gradual, ongoing improvement. The unemployment rate declined to 6.7 percent in December 2013, however the labor force participation rate also decreased, leaving the employment-to-population ratio little changed. The rate of job openings edged up in recent months as did the share of small businesses reporting hard-to-fill positions. Although measures of

Labor market indicators were consistent with gradual, ongoing improvement.

firms’ hiring plans were higher than a year earlier, the rate of gross private-sector hiring remained low.

Manufacturing production increased robustly in Q4 2013, with broad gains across industries and signs were consistent with further factory output expansion early in 2014, although automakers’ production schedules indicated the light motor vehicle assembly pace would decline in Q1 2014.

In December, components used by the Bureau of Economic Analysis to construct real personal consumption expenditures (PCE) increased strongly, although light motor vehicle sales declined

following large gains in November. Important factors influencing household spending were mixed. Real disposable income was little changed, but households' net worth was thought likely to continue expanding due to rising equity prices and home values. Consumer sentiment improved in December and early January after a decline in Fall 2013.

The housing sector showed tentative signs of stabilizing as effects of last year's mortgage rate rises appeared to wane.

Real private expenditures for business equipment and intellectual property products appeared to strengthen in Q4 2013. Forward-looking indicators were generally consistent with near-term gains in business equipment spending. Available information did not point to significant inventory imbalances in most industries.

Real federal government purchases fell sharply in Q4 2013 due to continued declines in defense spending and the temporary federal government shutdown last October. Increases in real state and local government purchases moderated in Q4 2013.

The U.S. international trade deficit narrowed substantially in November as exports increased and imports fell, driven respectively in large part by an increase in petroleum product sales and a decline in crude oil purchases.

Total U.S. consumer price inflation was just under 1 percent over the 12 months ending in November 2013. Consumer energy prices declined, consumer food prices rose modestly and core PCE prices

The housing sector showed tentative signs of stabilizing as effects of last year's mortgage rate rises appeared to wane.

increases slightly more than 1 percent. Over the 12 months ending in December 2013, nominal average hourly earnings increased slightly faster than consumer price inflation.

Financial Situation Review

On net, financial conditions in the U.S. remained supportive of

economic activity and employment growth. Equity prices increased, longer-term interest rates declined and the dollar appreciated against most other currencies. The FOMC's decision at its December meeting to cut the pace of asset purchases seemed to increase investors' confidence in the economic outlook, a shift that was further supported by subsequent U.S. economic data releases. However, those effects reversed late in the period as investors pulled back from riskier assets in reaction to rising concern about developments in some emerging market economies and their possible implications for global economic growth. Conditions in short-term dollar funding markets remained stable, reserve balances expanded more slowly and the rate of increase in the monetary based slowed in December. Domestic banks continued to ease lending standards and some loan terms. They also experienced an increase in demand in most major loan

Credit conditions in municipal bond markets remained generally stable.

categories in Q4 2013. Broad U.S. equity prices edged higher and equity issuance by nonfinancial corporations increased over the intermeeting period. Conditions in the commercial real estate sector recovered in Q4 2013, with rising property prices and fewer distressed sales. Credit conditions in municipal bond markets remained generally stable. Households continued to face mixed credit conditions in Q4 2013. Consumer credit expanded, boosted by gains in auto and student loans, but credit card balances were little changed through November.

Growth of real GDP in the second half of 2013 was stronger than anticipated.

The volume of mortgage applications held steady, refinance applications remained at very low levels and mortgage rates declined slightly. Despite tight mortgage availability and subdued borrowing, housing prices continued to increase in November, although at a slower pace than earlier in 2013. Financial market condition in advanced foreign economies became more supportive of growth over the

intermeeting period. Local-currency yields rose in some emerging market economies and short-term interbank rates in China were volatile and trended higher over the period. The foreign exchange value of the dollar appreciated against most other currencies over the period.

Economic Outlook

Growth of real GDP in the second half of 2013 was stronger than anticipated, although some of the strength in inventory investment and net exports could be transitory. Real GDP was projected to expand more quickly and rise faster than potential output over the next few years than it had in 2013. Still-accommodative monetary policy, easing in the effects of fiscal policy restraint, increases in consumer and business confidence, improvements in credit availability and financial conditions along with continued gains in foreign economic growth were expected to support accelerated economic growth. The forecast for inflation was little changed and the unemployment rate was expected to continue to decline gradually. Effects of recent financial market volatility on emerging market economies were not judged to have had a material effect on the overall outlook for those economies, but would require careful monitoring.

[Click here to view Casualty Edition](#)



This year's cold winter weather in the Midwest and South had the greatest effect on propane prices.

Participants' View on Current Conditions and the Economic Outlook

Participants noted that economic activity had strengthened more in the second half of 2013 than anticipated at the December meeting, citing in particular stronger consumer spending and solid uptrends in business investment. Although they did not expect the recent pace of economic growth to be sustained, the economy was anticipated to expand at a moderate pace in coming quarters.

In general, they agreed with the staff as to the reasons for this view. Participants noted that inflation persistently below the Committee's objective would pose risks to economic performance and that inflation developments would need to be monitored carefully. Monetary policy was judged to be in line with expectations. They agreed that with unemployment nearing 6.5 percent, it would soon be appropriate for the Committee

to change its forward guidance to provide information about its decisions regarding the federal funds rate after that threshold is crossed. Some participants raised the possibility that it might be appropriate to increase that rate soon.

Short-Term Energy Outlook

This year's cold winter weather in the Midwest and South had the greatest effect on propane prices, especially for consumers in the Midwest, tightening supplies that were already low heading into winter. The U.S. Energy Information Administration (EIA) expects propane prices in the Midwest will average \$2.62/gal this winter, 51 percent higher than last winter.

Cold temperatures also tightened heating oil supplies, driving up retail prices. Since the beginning of the year, distillate inventories in the Northeast have fallen by almost 6.9 million barrels. Despite recent increases, EIA expects that U.S. heating oil prices will average \$3.83/gal this winter, 1 percent lower than last year, largely because of lower crude oil prices.

The North Sea Brent crude oil spot price in February averaged near \$110/bbl for the eighth consecutive month, while West Texas Intermediate (WTI) prices increased by \$6/bbl to reach \$101/

bbl. Continued high refinery runs helped reduce inventories at the Cushing, OK storage hub to 32 million barrels, the lowest level since February 2012, helping to strengthen WTI prices. EIA expects the WTI discount to average \$10/bbl in 2014 and \$11/bbl in 2015.

Cold weather also contributed to continuing large withdrawals of natural gas from storage and a surge in natural gas spot prices, which hit record levels in several markets during the periods of extreme cold. Natural gas working inventories were 43 percent below levels at the same time a year ago and 39 percent below the five-year average (2009–2013). Henry Hub spot prices were volatile over the past two months, increasing from \$3.95/MMBtu on January 10 to a high of \$81.5/MMBtu on February 10, before falling back to \$4.61/MMBtu on February 27 and bouncing back up to \$7.98/MMBtu on March 4. EIA expects that the Henry Hub spot price, which averaged \$3.73/MMBtu in 2013, will average \$4.44/MMBtu this year. Residential natural gas prices are expected to average \$10.05/Mcf this winter, a 3 percent increase from last winter.

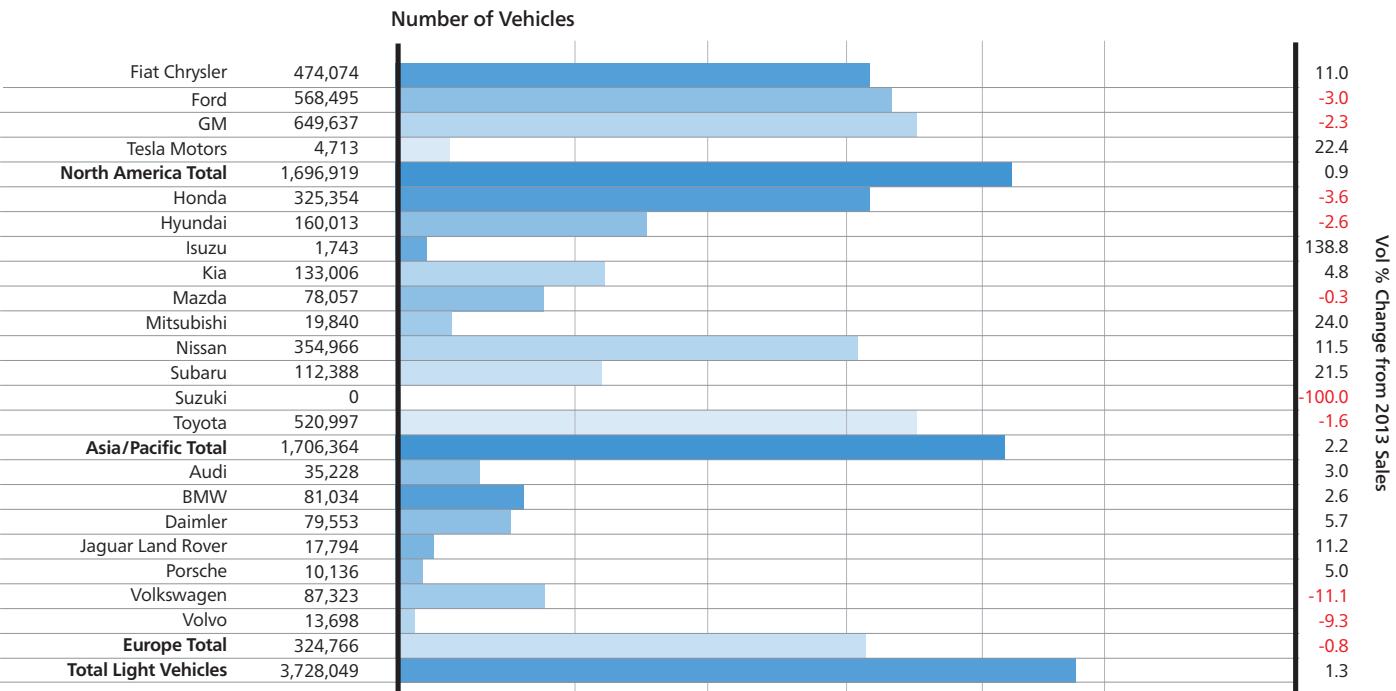
New Vehicle Sales

WardsAuto 10 Best Selling U.S. Cars and Trucks
March 2014 (YTD)

| Cars | | Trucks/Vans/SUVs | |
|----------------|--------|------------------|---------|
| Camry | 94,283 | F-Series | 161,593 |
| Altima | 89,285 | Silverado | 107,757 |
| Accord | 79,188 | Ram Pickup | 95,016 |
| Corolla/Matrix | 77,737 | Escape | 71,305 |
| Fusion | 77,578 | CR-V | 67,648 |
| Civic | 71,096 | Equinox | 56,073 |
| Cruze | 65,185 | RAV4 | 53,064 |
| Elantra | 53,237 | Rogue | 50,448 |
| Focus | 51,903 | Explorer | 46,068 |
| Malibu | 48,136 | Sierra | 42,213 |

Source: WardsAuto InfoBank

WardsAuto U.S. Light Vehicle Sales by Company
March 2014



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

Current Used Vehicle Market Conditions

March 2014 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.

Wholesale Used Vehicle Price Trends

| | Average Prices (\$/Unit) | | | Latest Month Versus | |
|--------------------|--------------------------|----------|----------|---------------------|------------|
| | Mar-14 | Feb-14 | Mar-13 | Prior Month | Prior Year |
| Total All Vehicles | \$10,429 | \$9,839 | \$10,028 | 6.0% | 4.0% |
| Total Cars | \$9,337 | \$8,776 | \$9,189 | 6.4% | 1.6% |
| Compact Car | \$7,410 | \$7,130 | \$7,065 | 3.9% | 4.9% |
| Midsize Car | \$8,519 | \$8,140 | \$8,520 | 4.7% | 0.0% |
| Fullsize Car | \$7,554 | \$6,889 | \$7,883 | 9.7% | -4.2% |
| Luxury Car | \$12,422 | \$11,999 | \$12,057 | 3.5% | 3.0% |
| Sporty Car | \$13,247 | \$12,002 | \$13,053 | 10.4% | 1.5% |
| Total Trucks | \$10,843 | \$10,239 | \$9,753 | 5.9% | 11.2% |
| Mini Van | \$7,486 | \$7,609 | \$6,929 | -1.6% | 8.0% |
| Fullsize Van | \$10,927 | \$10,907 | \$9,982 | 0.2% | 9.5% |
| Mini SUV | \$12,746 | \$11,988 | \$11,227 | 6.3% | 13.5% |
| Midsize SUV | \$7,995 | \$7,324 | \$6,911 | 9.2% | 15.7% |
| Fullsize SUV | \$11,320 | \$10,652 | \$10,647 | 6.3% | 6.3% |
| Luxury SUV | \$19,788 | \$18,210 | \$18,144 | 8.7% | 9.1% |
| Compact Pickup | \$7,558 | \$7,260 | \$7,550 | 4.1% | 0.1% |
| Fullsize Pickup | \$13,274 | \$12,460 | \$11,790 | 6.5% | 12.6% |
| Total Crossovers | \$13,300 | \$12,615 | \$13,572 | 5.4% | -2.0% |
| Compact CUV | \$12,200 | \$11,480 | \$12,098 | 6.3% | 0.8% |
| Mid/Fullsize CUV | \$14,473 | \$13,791 | \$15,084 | 4.9% | -4.1% |

Source: ADESA Analytical Services. March data revised

Summary

Wholesale prices strengthened in March —above both seasonal and year-ago levels. Off-rental units, which were in greater abundance last March, were a driving factor in this March’s results. Delayed off-rental supply translated into higher off-rental prices, which in turn contributed to higher overall average wholesale used vehicle prices. On top of that, retail used vehicle sales rebounded strongly in March, after being depressed by severe weather in January and February. The resulting strong demand also contributed to higher overall prices.

To the extent off-rental volume was hindered by winter conditions and a late Easter, this volume should be forthcoming soon and, along with expected off-lease volume growth, will put downward pressure on prices as seen in previous months.

Details

According to ADESA Analytical Services’ monthly analysis of Wholesale Used Vehicle Prices by Vehicle Model Class¹, wholesale used vehicle prices in March averaged \$10,429 -- up 6.0% compared to February, and up 4.0% relative to March 2013. All segments except minivans registered month-over-moth increases. Pickups and SUVs experienced particularly strong year-over-year price increases.

Prices for used vehicles remarketed by manufacturers were up 3.9% month-over-month and up 8.2% year-over-year, as manufacturers capitalized on strong demand for certifiable units and lower supply of off-rental program cars. Prices for fleet/lease consignors were up 8.8% sequentially and up 4.5% annually—in part due to tight supplies and strong demand for off-rental risk units.

Dealer consignors saw a 7.5% average price increase versus February, and a 4.5% uptick versus March 2013, indicating solid wholesale absorption of high trade-in volume from strong March new vehicle sales.

Based on data from CNW Marketing/ Research, retail used vehicle sales were up almost 50% month-over-month, as severe weather conditions eased. Sales of certified pre-owned (CPO) vehicles in March were up 15.3% from the prior month and up 8.6% from the prior year, based on figures from Autodata.

¹The 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.

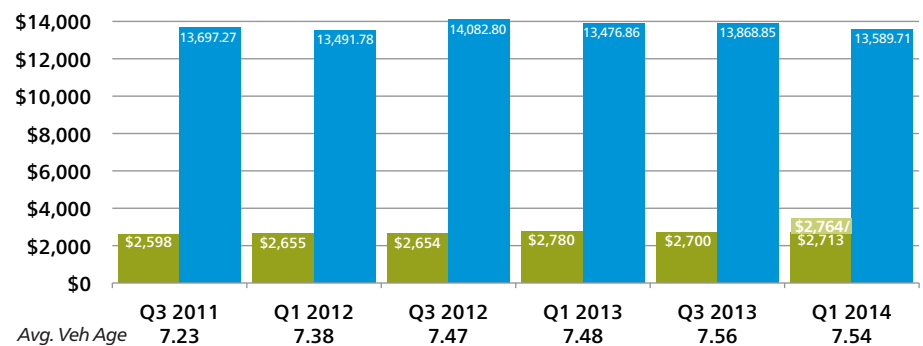
The views and analysis provided herein relate to the vehicle remarketing industry as a whole and may not relate directly to KAR Auction Services, Inc. The views and analysis are not the views of KAR Auction Services, its management or its subsidiaries; and their accuracy is not warranted. The statements 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 2,713, \$67 lower than the previous year’s Q1 2013 appraisal average of 2,780

Applying the prescribed development factor of 1.90% to these data produces an anticipated average appraisal value of 2,764. 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 second oldest average age on the chart.

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



* 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

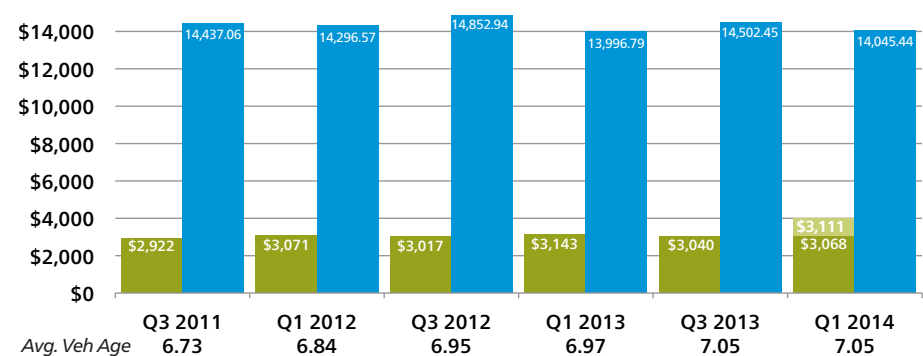
www.mitchell.com

Collision Losses

Mitchell's Q1 2014 data reflect an initial average gross Collision appraisal value of \$3,068, \$75 less than this same period last year. However, applying the indicated development factor suggests a final Q1 2013 average gross collision appraisal value will be \$3,111, still lower than the same quarter last year.

At the average Actual Cash Value (ACV) of vehicles appraised for Collision losses during Q1 2014 was \$14,045, an increase of \$48.65 over the same period last year on a slightly older vehicle.

Average Appraisal Values, ACVs and Age | Collision Coverage*



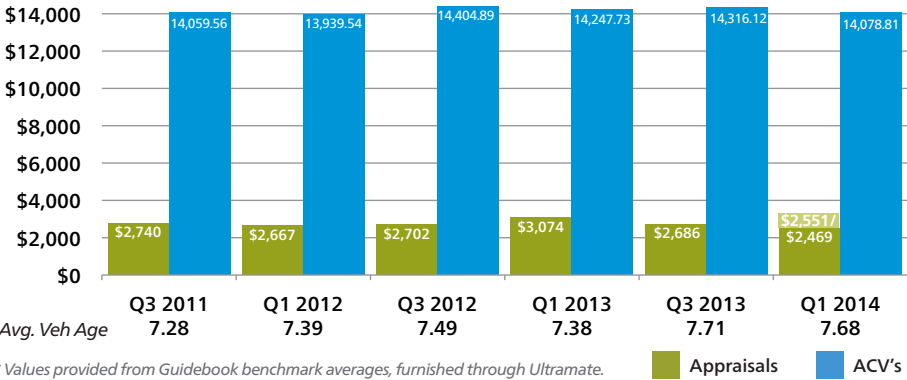
* Values provided from Guidebook benchmark averages, furnished through Ultramate.

Appraisals ACV's

Comprehensive Losses

In Q1 2014, the average initial gross appraisal value for Comprehensive coverage estimates processed through our servers was 2,469, compared to 3,074 in Q1 2013. Applying the prescribed development factor of .033% for this data set produces only an increase in the adjusted value to \$2,551.

Average Appraisal Values, ACVs and Age | Comprehensive Losses*



Third-Party Property Damage

In Q1 2014, our initial average gross Third-party Property Damage appraisal was 2,514 compared to 2,526 in Q1 2013, reflecting a \$12 initial decrease between these respective periods. Adding the prescribed development factor of .03% for this coverage type yields a Q1 2014 adjusted appraisal value of \$2,591, a \$65 increase in average severity over Q1 2013.

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



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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 2014, 28.64% 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 52.11%, reflecting a 3.26 pt. increase from that same period in 2013. The average combined supplement variance for this quarter was \$634.88, \$95.17 lower than in Q1 2013.

Average Supplement Frequency and Severity

| Date | Q3/11 | Q1/12 | Q3/12 | Q1/13 | Q3/13 | Q1/14 | Pt. Change | % Change |
|------------------------------|-------|--------|--------|--------|--------|--------|------------|----------|
| % Est. Supplement | 32.33 | 34.04 | 31.7 | 33.1 | 32.35 | 28.64 | -4.46 | -13% |
| % Supplement | 46.8 | 51.41 | 45.47 | 48.85 | 46.47 | 52.11 | 3.26 | 7% |
| Avg. Combined Supp. Variance | 706.4 | 695.89 | 712.78 | 730.05 | 724.08 | 634.88 | -95.17 | -13% |
| % Supplement \$ | 27.19 | 26.21 | 26.86 | 26.26 | 26.81 | 23.4 | -2.86 | -11% |

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 4% and labor down by 4% and paint and materials showing 2% change .

% Average Appraisal Dollars by Type

| Date | Q3/11 | Q1/12 | Q3/12 | Q1/13 | Q3/13 | Q1/14 | Pt. Change | % Change |
|---------------------|-------|-------|-------|-------|-------|-------|------------|----------|
| % Average Part \$ | 41.78 | 43.43 | 41.53 | 45.51 | 44.22 | 47.2 | 1.69 | 4% |
| % Average Labor \$ | 46.85 | 45.13 | 47.11 | 46.88 | 48.14 | 45.08 | -1.8 | -4% |
| % Paint Material \$ | 10.69 | 10.53 | 10.68 | 10.34 | 10.65 | 10.55 | 0.21 | 2% |

Parts Analysis

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 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 0.6 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.

Parts Type Definitions

Original Equipment Manufacturer (OEM)

Parts produced directly by the vehicle manufacturer or its 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 OEM'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.





MITCHELL SOLUTION:
Mitchell **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.



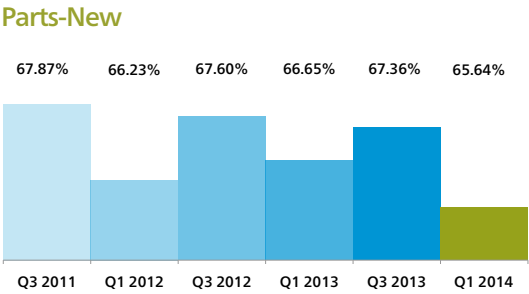
MITCHELL SOLUTION:
Mitchell **MAPP**[™]

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.

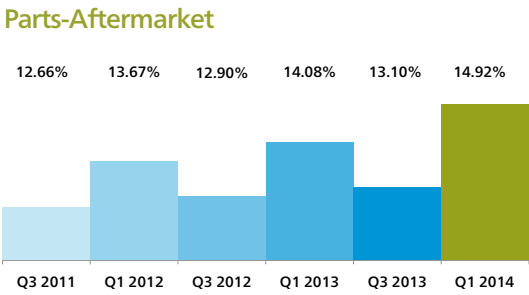
Original Equipment Manufacturer (OEM) Parts Use in Dollars

In Q1 2014, OEM parts represented only 65.64% of all parts dollars specified by Mitchell-equipped estimators. These data reflect a 1.01 point relative decrease from Q1 2013.



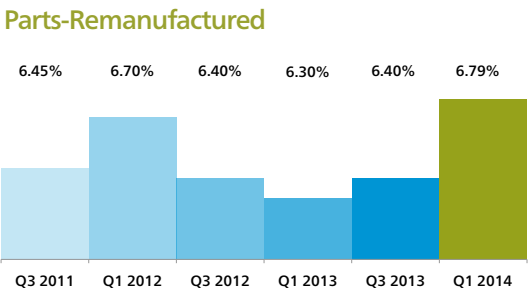
Aftermarket Parts Use in Dollars

In Q1 2014, 14.92% of all parts dollars recorded on Mitchell appraisals were attributed to Aftermarket sources, up .84 points from Q1 2013.



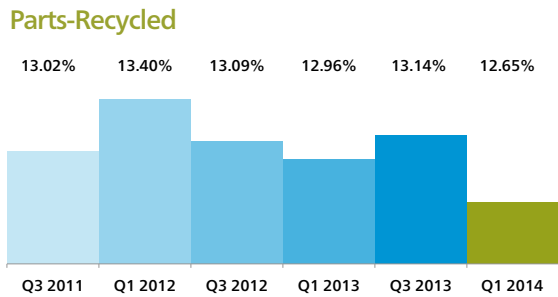
Remanufactured Parts Use in Dollars

Currently listed as "Non-New" parts in our estimating platform and reporting products, Remanufactured parts currently represent 6.79% of the average gross parts dollars used in Mitchell appraisals during Q1 2014. This reflects a .49 relative increase over this same period in 2013.



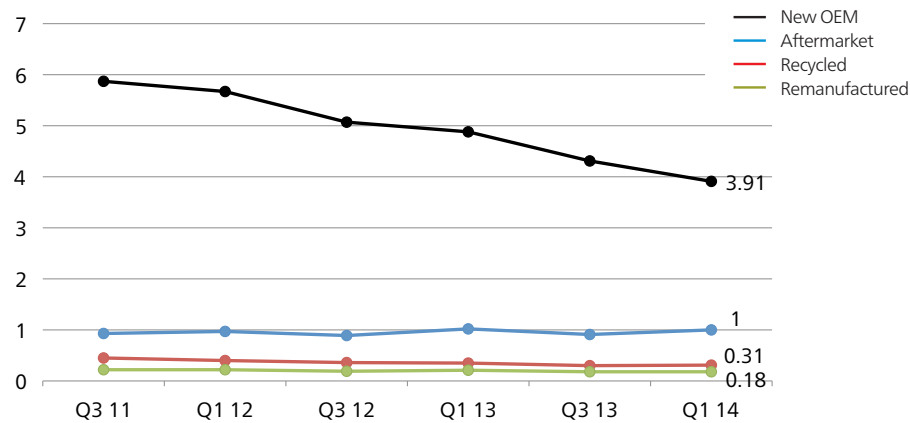
Recycled Parts Use in Dollars

Recycled parts constituted 12.65% of the average parts dollars used per appraisal during Q1 2014, reflecting a modest .41 decrease from Q1 2013.



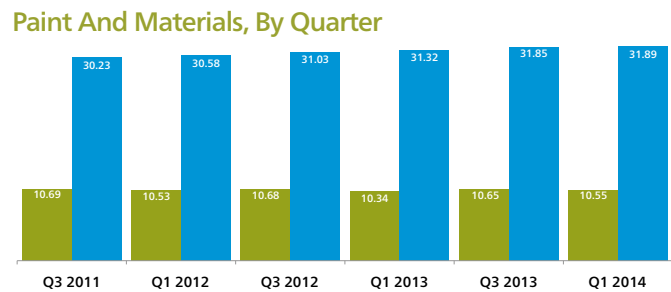
The Number of Parts by Part Type

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 2014, New OEM parts use decreased again, with a modest decrease in aftermarket parts as well as in recycled parts.



Paint and Materials

During Q1 2014, Paint and Materials made up 10.55% of our average appraisal value, representing a .21-point relative increase from Q1 2013. 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 \$31.89 per refinish hour in this period, compared to \$31.32 in Q1 2013.



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 2014, the percentage of adjustments made to estimates decreased by 13%. The frequency of betterment taken decreased by 11%, while the average dollar amount of the betterment taken decreased by 5% to \$112.61. Appearance allowance frequency decreased by 18% but the dollar amount of that appearance allowance increased to \$208.02.

Adjustment \$ and %s

| Date | Q3/11 | Q1/12 | Q3/12 | Q1/13 | Q3/13 | Q1/14 | Pt/\$ Change | % Change |
|----------------------|--------|--------|--------|--------|--------|--------|--------------|----------|
| % Adjustments Est | 3.47 | 3.47 | 3.24 | 3.25 | 3.21 | 2.83 | -0.42 | -13% |
| % Betterment Est | 2.76 | 2.77 | 2.6 | 2.61 | 2.59 | 2.33 | -0.28 | -11% |
| % Appear Allow Est | 0.52 | 0.54 | 0.49 | 0.5 | 0.47 | 0.41 | -0.09 | -18% |
| % Prior Damage Est | 3.07 | 2.88 | 2.78 | 2.89 | 2.93 | 2.72 | -0.17 | -6% |
| Avg. Betterment \$ | 137.5 | 124.2 | 133.49 | 118.27 | 126.12 | 112.61 | -5.66 | -5% |
| Avg. Appear Allow \$ | 194.69 | 184.14 | 210.59 | 201.39 | 215.94 | 208.02 | 6.63 | 3% |

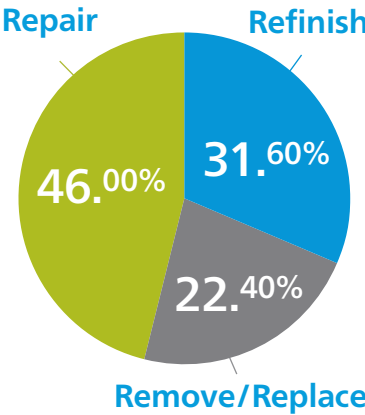
Labor Analysis

For 2014 year-to-date, average body labor rates have risen in almost every survey state compared to the first quarter of 2013.

Average Body Labor Rates and Change by State

| | Q1 2013 | Q1 2014 | \$ Change | % Change |
|--------------|---------|---------|-----------|----------|
| Arizona | 48.34 | 49.73 | \$1.39 | 3% |
| California | 58.26 | 61.12 | \$2.86 | 5% |
| Florida | 41.14 | 42.50 | \$1.36 | 3% |
| Hawaii | 48.09 | 50.98 | \$2.89 | 6% |
| Illinois | 49.66 | 50.06 | \$0.40 | 1% |
| Michigan | 43.01 | 43.68 | \$0.67 | 2% |
| New Jersey | 46.58 | 46.58 | \$(0.0) | 0% |
| New York | 46.76 | 47.37 | \$0.61 | 1% |
| Ohio | 44.18 | 45.16 | \$0.98 | 2% |
| Rhode Island | 44.72 | 45.17 | \$0.45 | 1% |
| Texas | 43.26 | 43.89 | \$0.63 | 1% |

Percent of average labor hours by type



J.D. Power ACV Trends

By Blaine Bogus

Analyst, Insurance Practice MVV, J.D. Power

By Chip Lackey

Senior Director, Insurance Practice MVV, J.D. Power

Information courtesy of J.D. Power



While older used vehicles are still climbing, it appears as if vehicles ages zero to four years old have reached their highest ACV.

It appears as if used cars are still holding their values. After watching used car prices climb the previous years, it was expected that they would drop in actual cash value (ACV), as more lease trade-ins hit the used car market. This seems to be the case with vehicles ages zero to four years old, but vehicles ages five to nine years old are showing a different trend.

"Gently used" vehicles are starting to reach their peak in ACV.

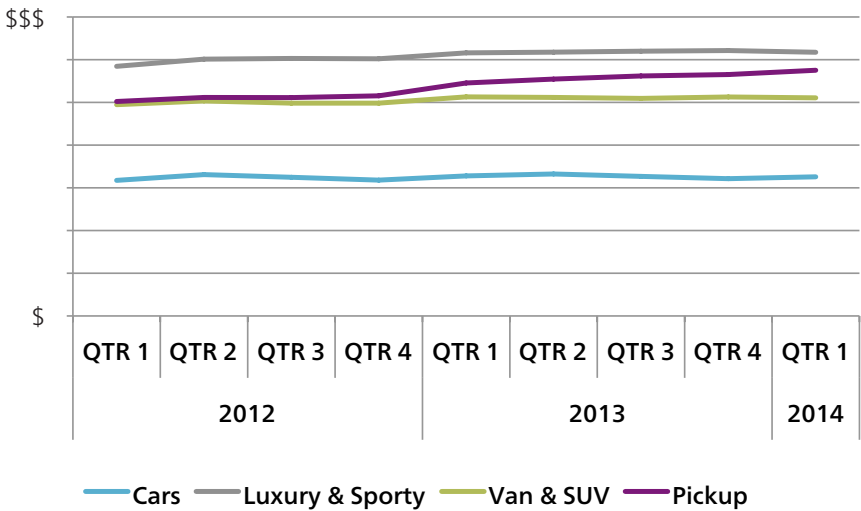
While older used vehicles are still climbing, it appears as if vehicles ages zero to four years old have reached their highest ACV. As new retail sales are climbing back to pre-recession highs, gently used and off-lease vehicles are dropping in ACV. So, as the economy strengthens and new retail sales increase, the ACV of gently used vehicles tends to weaken.

The limited number of new retail sales during the recession period

has led to used vehicles ages five to nine years old still increasing in ACV. The minimal leases and low sales volumes have severely limited the supply of vehicles in this age group. It is expected that as the fleet of retail vehicles sold during the recession increase in age, and as more gently used vehicles hit the market, these vehicles will decrease in value.

With supplies limited for vehicles ages five to nine years old,

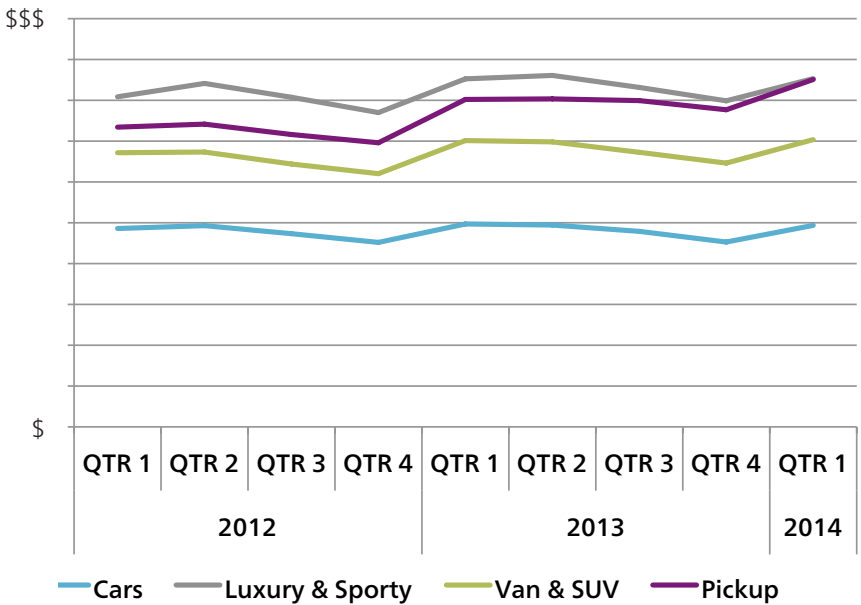
US Group 1: 0–4 Years Old



customers searching for a used vehicle have had to look at earlier model years where supply was larger. This has also led to an increase in values for vehicles ages 10 and older. Just as values of vehicles sold during the recession are increasing, so will the cost of slightly older vehicles to offset the limited supply of vehicles five to nine years old.

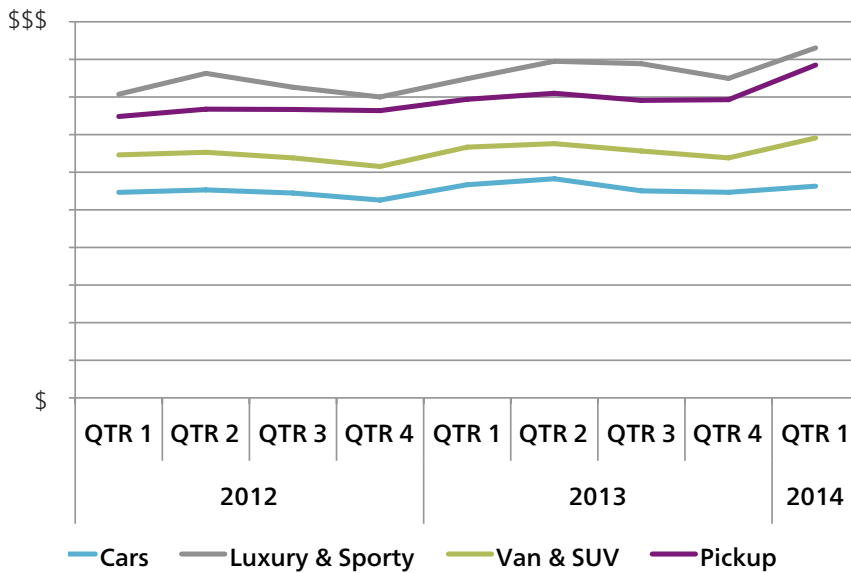
We are also seeing similar trends happening in Canada. With increased new retail sales, the supply chain of used vehicles has more lease trade-ins and gently used vehicles coming into the market. This helps limit the cost of gently used vehicles zero to four years old as supply tends to be larger.

US Group 2: 5–9 Years Old



Just as values of vehicles sold during the recession are increasing, so will the cost of slightly older vehicles.

US Group 3: 10 Years and Older

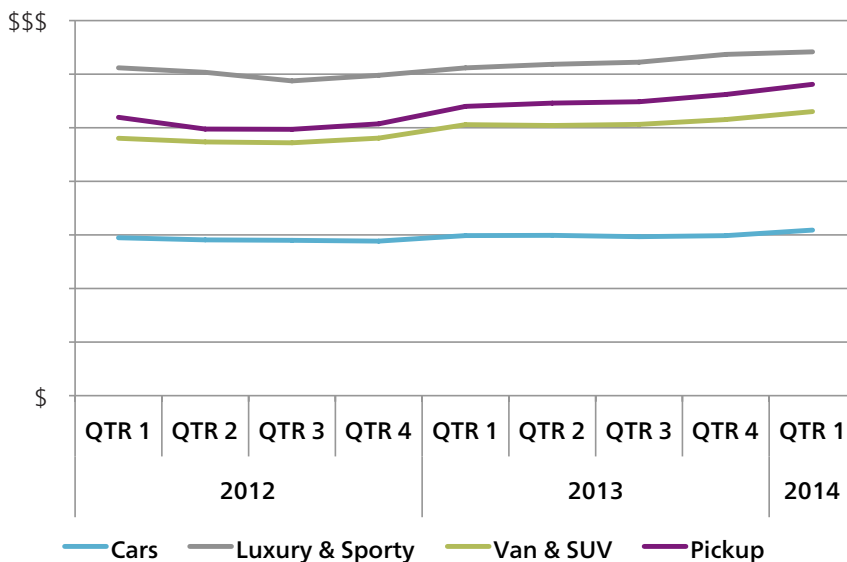


With the still-limited supply of vehicles ages five to nine years old, these vehicles have continued to gain ACV as they are still in demand. As more and more vehicles hit the used market, the values of vehicles five to nine years old will start to decrease. With customers searching for used vehicles and a limited supply of five to nine year old vehicles available, the value of vehicles ages 10 and older are still holding their value well.

As the supply chain of used vehicles continues to increase, and as more lease trade-ins and gently used vehicles come to the market, ACV is expected to decrease. The trend will start with the newer model years; the older model years will follow and soon see a decline in ACV as well.



Canada Group 1: 0–4 Years Old

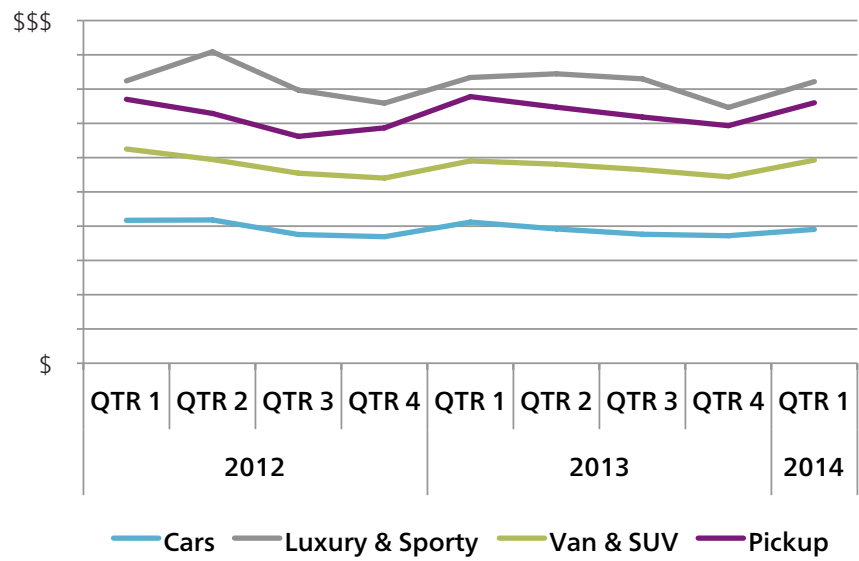


Click here to view
Casualty **Edition**



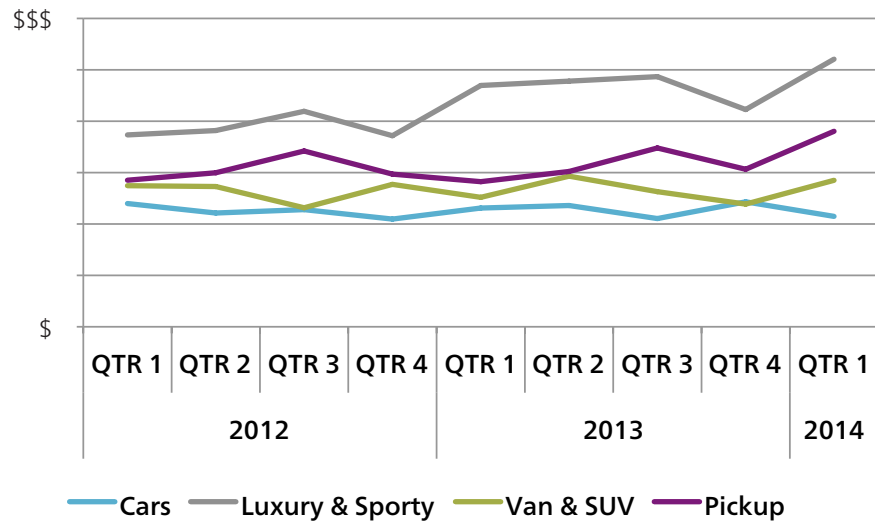


Canada Group 2: 5–9 Years Old





Canada Group 3: 10 Years and Older



Total Loss

The charts below illustrates the total loss data for both vehicle age and actual cash value of total loss vehicles processed through Mitchell servers. We are again seeing a softening of values of less fuel efficient vehicles.

Average Vehicle Age in Years

| Vehicles | Q3/11 | Q1/12 | Q3/12 | Q1/13 | Q3/13 | Q1/14 |
|-----------------|---------------------|-------|-------|-------|-------|-------|
| | Average Vehicle Age | | | | | |
| Convertible | 11.72 | 11.48 | 11.81 | 11.9 | 12.09 | 11.91 |
| Coupe | 11.48 | 11.48 | 11.77 | 11.65 | 11.94 | 11.91 |
| Hatchback | 9.52 | 9.38 | 9.39 | 9.08 | 8.92 | 8.7 |
| Sedan | 10.33 | 10.29 | 10.48 | 10.32 | 10.44 | 10.4 |
| Wagon | 8.91 | 9.08 | 9.36 | 9.16 | 9.52 | 9.57 |
| Other Passenger | 12 | 11.17 | 12.44 | 11.52 | 12.15 | 11.7 |
| Pickup | 11.39 | 11.35 | 11.76 | 11.58 | 12.01 | 11.95 |
| Van | 10.77 | 10.84 | 11.02 | 10.83 | 11.13 | 11.07 |
| SUV | 9.66 | 9.86 | 9.93 | 10.03 | 10.11 | 10.27 |

Average Vehicle Total Loss Actual Cash Value

| Vehicles | Q3/11 | Q1/12 | Q3/12 | Q1/13 | Q3/13 | Q1/14 |
|-----------------|---------------------------|-------------|-------------|-------------|-------------|-------------|
| | Average Actual Cash Value | | | | | |
| Convertible | \$10,361.42 | \$9,904.69 | \$10,559.32 | \$9,556.73 | \$10,222.41 | \$9,572.68 |
| Coupe | \$6,873.49 | \$6,865.54 | \$7,484.63 | \$7,012.72 | \$7,311.58 | \$6,902.26 |
| Hatchback | \$7,482.89 | \$7,702.36 | \$8,159.89 | \$7,739.44 | \$8,119.04 | \$7,768.07 |
| Sedan | \$7,047.49 | \$7,011.27 | \$7,419.85 | \$7,110.74 | \$7,373.93 | \$7,074.70 |
| Wagon | \$8,050.55 | \$7,706.18 | \$7,936.60 | \$7,409.46 | \$7,324.33 | \$6,915.23 |
| Other Passenger | \$13,237.82 | \$16,425.45 | \$12,565.45 | \$15,736.83 | \$14,203.32 | \$17,139.55 |
| Pickup | \$9,543.80 | \$9,703.41 | \$9,736.38 | \$9,745.61 | \$9,908.64 | \$10,096.84 |
| Van | \$5,835.44 | \$5,749.69 | \$5,964.38 | \$5,735.59 | \$5,862.45 | \$5,601.42 |
| SUV | \$9,439.12 | \$9,195.42 | \$9,647.40 | \$9,003.08 | \$9,361.29 | \$8,727.31 |



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.

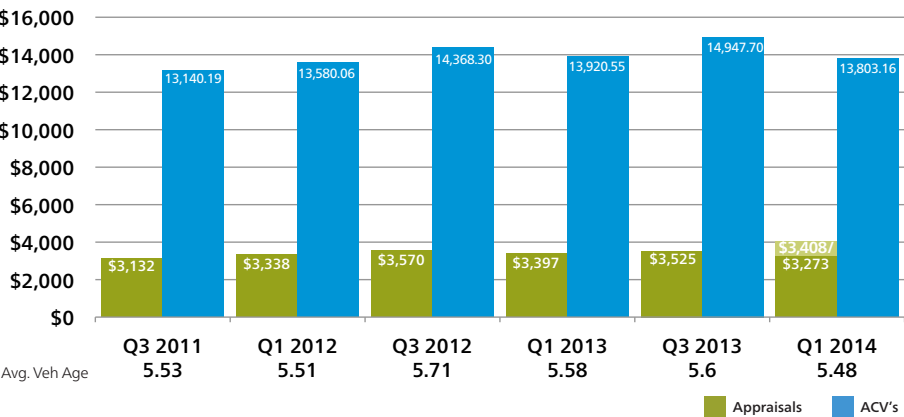


At the request of our customers and friends in Canada, we are pleased to provide the following Canada-specific statistics, observations, and trends. **All dollar-figures appearing in this section are in CDN\$.** As a point of clarification, these data are the product of upload activities from Body Shop,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

Canadian Appraisal Severity

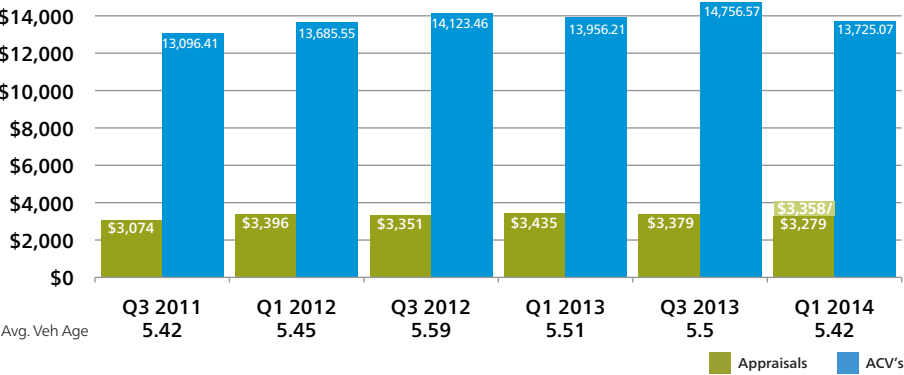
Average Appraisal Values Severity Overall

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 2014 was \$3,273, a \$124 decrease from Q1 2013. Applying the prescribed development factor yields an increase to \$3,401, an increase of \$ 11 over Q1 2013.



Collision Losses

The average initial gross collision appraisal value uploaded through Mitchell Canadian systems in Q1 2014 was \$3,279, a \$156.00 decrease from Q1 2013. However applying the prescribed development factor yields an anticipated final average appraisal value of \$3,358, a \$77 decrease from Q1 2013.



Canadian Average Appraisal Make-Up

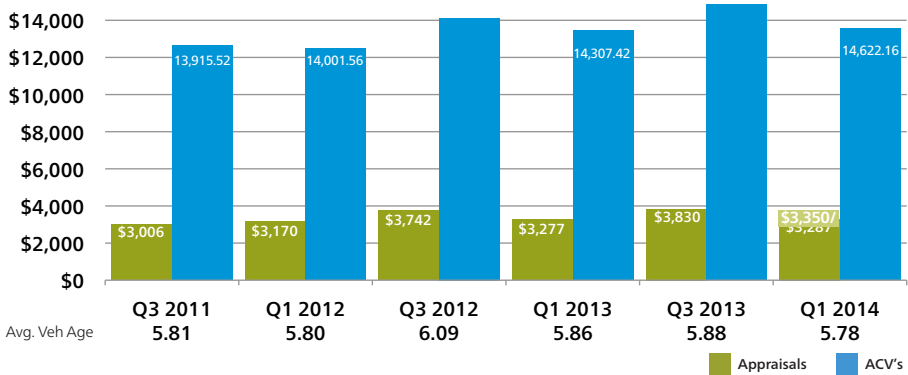
This chart compares the average appraisal make-up as a percentage of dollars. These data points reflect a slight increase in and paint and materials with a decrease in labour.

| Date | Q3/11 | Q1/12 | Q3/12 | Q1/13 | Q3/13 | Q1/14 | Pt/\$ Change | % Change |
|---------------------|-------|-------|-------|-------|-------|-------|--------------|----------|
| % Average Part \$ | 38.74 | 43.46 | 34.64 | 43.91 | 38.27 | 44.47 | 0.56 | 1% |
| % Average Labour \$ | 49.15 | 44.93 | 54.57 | 44.71 | 50.82 | 43.85 | -0.86 | -2% |
| % Paint Material \$ | 9.15 | 8.64 | 8.33 | 8.55 | 8.44 | 8.81 | 0.26 | 3% |



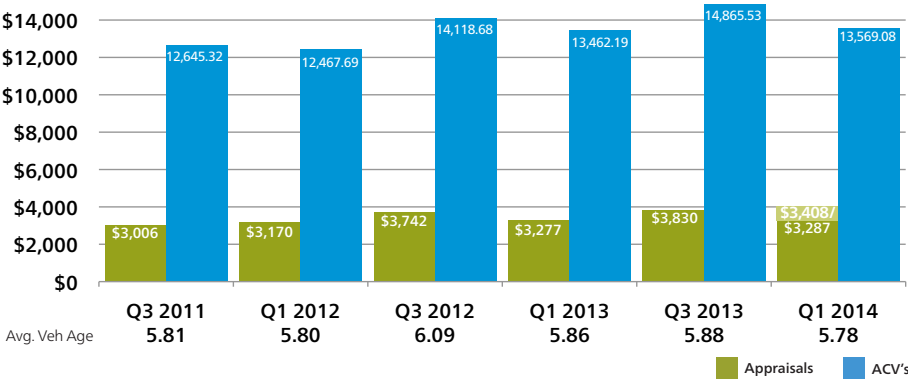
Comprehensive Losses

In Q1 2014, the average initial gross Canadian appraisal value for comprehensive coverage estimates processed through our servers was \$3,219, or \$67 lower than in Q1 2013. After applying the prescribed development factor, the anticipated appraisal value will be \$3,350.



Third-Party Property Damage

In Q1 2014, our Canadian industry initial average gross third-party property damage appraisal was \$3287, an increase of \$10 from Q1 2013 on vehicles that were older. Applying the prescribed development factor, we end up with a final value of \$3,408.



Canadian Supplements

In Q1 2014, 38.46% 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 74.06%, reflecting a slight decrease from the first quarter of 2013. The average combined supplement variance for this quarter was \$403.95, \$190.044 lower than in Q1 2013.

| Date | Q3/11 | Q1/12 | Q3/12 | Q1/13 | Q3/13 | Q1/14 | Pt/\$ Change | % Change |
|----------------------------|--------|--------|--------|--------|--------|--------|--------------|----------|
| % Est Supplements | 44.04 | 51.26 | 43.32 | 50.17 | 45.05 | 38.46 | -11.71 | -23% |
| % Supplements | 62.95 | 83.62 | 54.64 | 77.92 | 63.26 | 74.06 | -3.86 | -5% |
| Avg Combined Supp Variance | 477.03 | 551.84 | 569.74 | 593.99 | 554.59 | 403.95 | -190.04 | -32% |
| % Supplement \$ | 15.23 | 16.53 | 15.96 | 17.48 | 15.73 | 12.34 | -5.14 | -29% |

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 2014, the average frequency betterment taken on estimates decreased by 38% and the dollar amount of that betterment was flat. Appearance allowances decreased by 32% and the dollar amount of those allowances was basically unchanged.

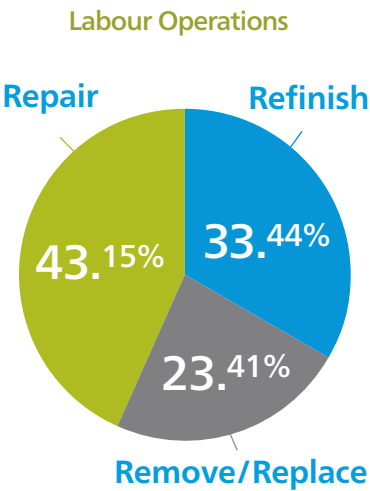
| Date | Q3/11 | Q1/12 | Q3/12 | Q1/13 | Q3/13 | Q1/14 | Pt/\$ Change | % Change |
|----------------------|--------|--------|--------|--------|--------|--------|--------------|----------|
| % Adjustments Est | 2.99 | 2.68 | 2.88 | 2.23 | 2.46 | 1.39 | -0.84 | -38% |
| % Betterment Est | 2.44 | 2.37 | 2.49 | 2.02 | 2.16 | 1.25 | -0.77 | -38% |
| % Appear Allow Est | 0.49 | 0.32 | 0.41 | 0.22 | 0.31 | 0.15 | -0.07 | -32% |
| % Prior Damage Est | 0.13 | 0.05 | 0.03 | 0.02 | 0.02 | 0.04 | 0.02 | 100% |
| Avg. Betterment \$ | 233.52 | 194.25 | 239.11 | 227.38 | 242.35 | 226.89 | -0.49 | 0% |
| Avg. Appear Allow \$ | 202.07 | 213.14 | 279.29 | 232.07 | 248.21 | 231.59 | -0.48 | 0% |

Canadian Labour Analysis

All data reflects the percentage of labour dollars utilized in the creation of Mitchell appraisals by Canadian estimators. Labour rates increased in all Provinces and Territories .

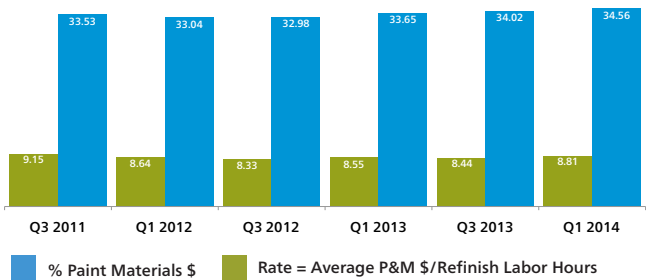
Average Body Labour Rates and Change By Province

| | 2012 | YTD 2013 | \$ Change | % Change |
|-------------------------|---------|----------|-----------|----------|
| Alberta | \$71.88 | \$72.24 | \$0.36 | 1% |
| British Columbia | \$65.53 | \$70.27 | \$4.74 | 7% |
| Newfoundland & Labrador | \$60.74 | \$61.88 | \$1.14 | 2% |
| Nova Scotia | \$87.17 | \$92.95 | \$5.78 | 7% |
| Ontario | \$54.97 | \$55.92 | \$0.95 | 2% |
| Quebec | \$49.00 | \$50.84 | \$1.84 | 4% |
| Saskatchewan | \$69.71 | \$79.06 | \$9.35 | 13% |
| Yukon Territory | \$89.60 | \$93.13 | \$3.53 | 4% |



Canadian Paint and Materials

During Q1 2014, Paint and Materials made up 8.81% of our average appraisal value. Represented differently: the average paint and materials hourly rate rose to just under \$34.56 dollars per hour.



Canadian Number of Parts by Part Type

| Date | Q3/11 | Q1/12 | Q3/12 | Q1/13 | Q3/13 | Q1/14 |
|---------------------|-------|-------|-------|-------|-------|-------|
| Parts - Aftermarket | 1.19 | 1.36 | 1.22 | 1.35 | 1.2 | 1.3 |
| Parts - Recycled | 0.61 | 0.63 | 0.56 | 0.59 | 0.51 | 0.5 |
| Parts - Non-New | 0.14 | 0.14 | 0.13 | 0.13 | 0.12 | 0.12 |
| Parts - New | 6.15 | 7.28 | 6.64 | 7.27 | 6.7 | 6.68 |

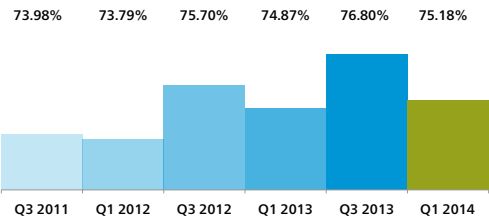
Canadian Parts Utilization

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

Aftermarket parts use in Canada rose by very slightly in the first quarter of 2014, once again topping 13%.

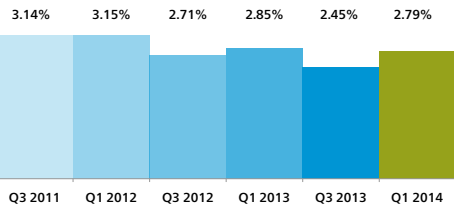
Parts-New



Remanufactured Parts Use in Dollars

Remanufactured parts use in Canada was 2.79% for Q1 2014 compared to 2.85% in Q1 2013.

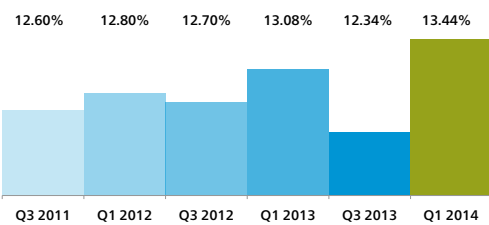
Parts-Non-New



Aftermarket Parts Use in Dollars

Aftermarket parts use in Canada rose very slightly in the first quarter of 2014, once again topping 13%.

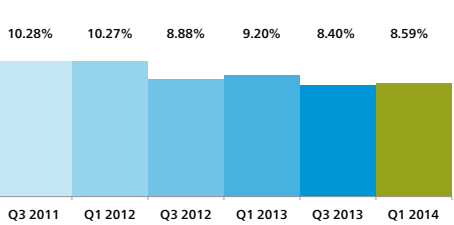
Parts-Aftermarket



Recycled Parts Use in Dollars

Recycled parts use in Canada has decreased since the same period last year, showing a fluctuation of a few points for the six quarters shown.

Parts-Recycled





**Mitchell San Diego
Headquarters**

6220 Greenwich Dr.
San Diego, CA 92122



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 1,700 employees. The company is privately owned primarily by KKR, a leading global investment firm.

For more information on Mitchell, visit www.mitchell.com.

Mitchell in the News



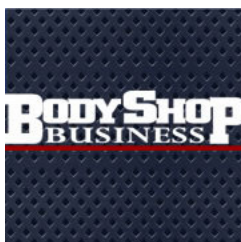
Mitchell RepairCenter ToolStore Integrates with Nuventory

Nuventory is a web-based software solution that allows collision facilities to create a standard materials list, control the amount of inventory on hand and to track technician usage. The partnership will allow Mitchell RepairCenter ToolStore users to use those features directly from the RepairCenter Workspace without leaving the Mitchell Repair workspace. [Read More](#)



Mitchell Releases Automated Medical Bill Review Software

Mitchell, a provider of technology, connectivity and information solutions to the property/ casualty claims and collision repair industries, announced the commercial release of Decision Point 8, a completely automated medical bill review and workflow solution for first and third-party liability adjusters. [Read More](#)



Mitchell Recognizes Top Shops with AutocheX Premier Achiever Awards

Mitchell has announced the recipients of the 11th annual AutocheX Premier Achiever Awards, recognizing auto body repair shops throughout the U.S. and Canada for their achievements in customer service and satisfaction. The awards have been presented to just under 400 shops in 41 states and British Columbia, Canada. The annual Premier Achiever Awards honor auto body shops that consistently achieve high customer satisfaction scores as measured by AutocheX, either independently or as part of an insurance-sponsored repair program. In 2012, participating insurance programs included seven of the top 25 carriers in North America. [Read More](#)



Mitchell Announces Updates to ToolStore and Reputation Manager

Mitchell today announced updates to its RepairCenter ToolStore and Reputation Manager platforms. ToolStore now boasts a new user interface that allows repair shops to incorporate and easily access new partner add-ons. The new Reputation Manager comes with an enhanced dashboard, including visual key performance indicators to better track survey performance, as well as improved filtering options that allow shop managers to review scores based on program and employee. [Read More](#)



Imperial Fire & Casualty selects Mitchell's WorkCenter software

Automotive and property insurer Imperial Fire & Casualty has signed a multi-year deal with Mitchell to implement the latter's WorkCenter collision claims management software. The new agreement provides Imperial with a right to use Mitchell's data coverage across physical damage and casualty claims for a broader view of the claims process. Mitchell's WorkCenter will power all of Imperial's physical damage claims processing requirements, including appraisal, total loss, compliance, audit, desk review and reporting. [Read More](#)

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!

Questions or comments about the Industry Trends Report may be directed to:

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Editor in Chief, Vice President of Industry Relations

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Additional Contributors:

Kontos Kommentary 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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