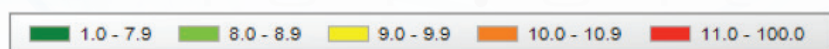
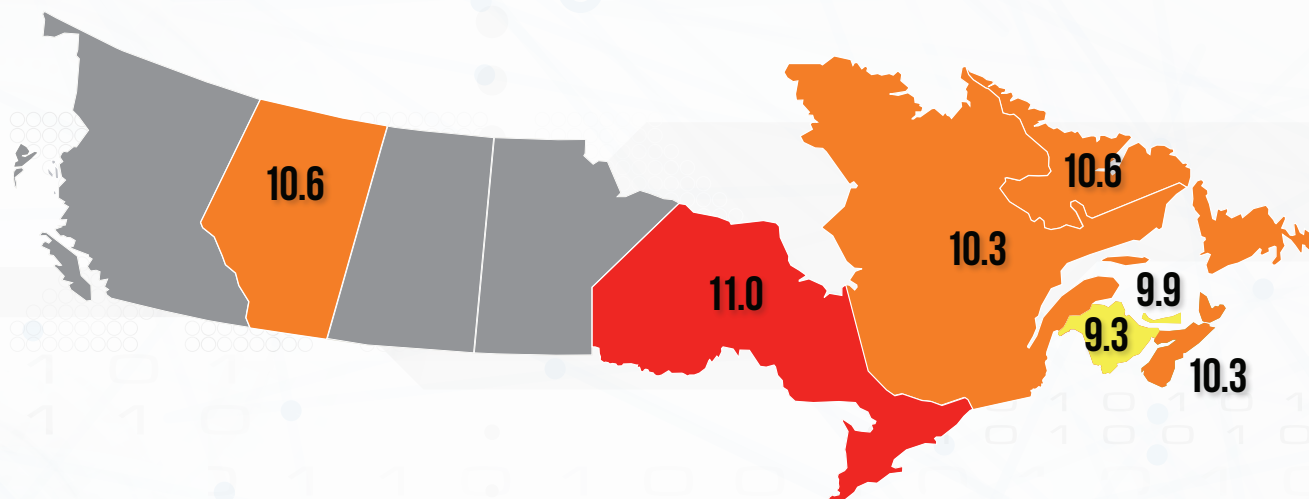


Canada Average Length of Rental by Province Q2 - 2021



Average Billed Days for Canada		
Q2 2020	Q2 2021	Change
11.4	10.2	-1.2

Province Avg Billed Days for Canada			
Province	Q2 2020 LOR	Q2 2021 LOR	Change
Alberta	11.2	10.6	-0.6
Ontario	13.1	11.0	-2.1
Quebec	11.5	10.3	-1.2
Newfoundland and Labrador	12.5	10.6	-1.9
New Brunswick	10.1	9.3	-0.8
Nova Scotia	10.7	10.3	-0.4
Prince Edward Island	9.6	9.9	0.3

Year over year change

* Source: Enterprise Rent-A-Car. Includes ARMS® Insurance Company Direct Billed Rentals.

* Data excludes the private carrier provinces of British Columbia, Manitoba and Saskatchewan.

Canada Length of Rental - Q2 2021

Enterprise Rent-A-Car's Length of Rental (LOR) report for the second quarter of 2021 compares results against a previous year's second quarter that reflects the impact of the COVID-19 pandemic in the Canadian market. The results illustrate a steady decline in LOR for April and May, and slight increase in June as more drivers return to the road. According to Ryan Mandell, Director of Performance Consulting at Mitchell International: "While we have seen claims volume increase 17.1% in Q2 2021 compared to Q2 2020, the results still represent a 38.1% decrease from the same, pre-COVID time period in 2019."

Average LOR:

In Canada, Q2 2021 LOR was 10.2 days, down 1.2 days from Q2 2020 LOR. All provinces saw a decrease in LOR quarter-over-quarter, with the exception of PEI which had a modest increase of 0.3 days. Ontario had the biggest decrease – down 2.1 days from Q2 2020.

Drivable Claims

Drivable LOR dropped one full day from 9.1 days in 2020 to 8.1 in 2021. Ontario also had the largest decrease here, -1.9 days. The decreases were also seen in all provinces except PEI, which had a very modest increase of 0.1 days.

Non-Drivable Claims

Non-drivable LOR also dropped in 2021 by 1.4 days from 18.5 in 2020 to 17.1 in 2021. Again, Ontario had the largest decrease of 2.1 days, which is quite significant. Quebec also dropped 1.5 days, and Alberta decreased by 1.1 days. On the other end, PEI saw an increase of 2.1 days while Nova Scotia increased 0.6 days.

Total Loss Claims

LOR associated with Total Loss claims dropped in Q2 2021 by 2.4 days, from 16.0 in Q2 2020 to 13.6 in Q2 2021. Alberta's Total Loss LOR dropped 2.6 days (16.1 to 13.5) and Ontario's Total Loss LOR dropped 2 days (16.2 to 14.2). According to Mitchell, Total Loss frequency in Canada decreased from 23.2% in Q2 2020 to 19.7% in Q2 2021. According to Mandell: "The dramatic increases in used vehicle values is a potential driver of the LOR reduction, as inflated values of vehicles in the supply chain have created higher Total Loss thresholds, resulting in more repairable claims."

Parts Availability

Greater availability of parts and less backlog of work due to the sustained lower claims volume of the past 18 months aligns with the LOR decreases. Meanwhile, in the United States, where miles driven is up 28.7% from May 2020 to May 2021, LOR has increased by 1.2 days from Q2 2020. Many collision centres are reporting repair volume at or near pre-COVID levels. Combined with supply chain disruptions, technician shortages and vehicle availability, results in Canada will bear watching as the country starts to open up and travel increases.

Conclusion

Enterprise Rent-A-Car's Length of Rental (LOR) is a valuable metric for partners to analyze the time it takes between accident and/or vehicle repair start to completed repair. While each of our insurer partners has unique processes, policyholders and needs, the Enterprise team can assist in crafting improved ways to mitigate loss adjustment expense and place more focus on claims process disruptions, which are a large driver of overall claims cycle time and ultimately impact Length of Rental.