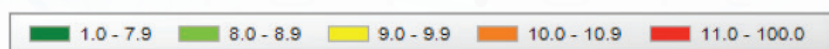
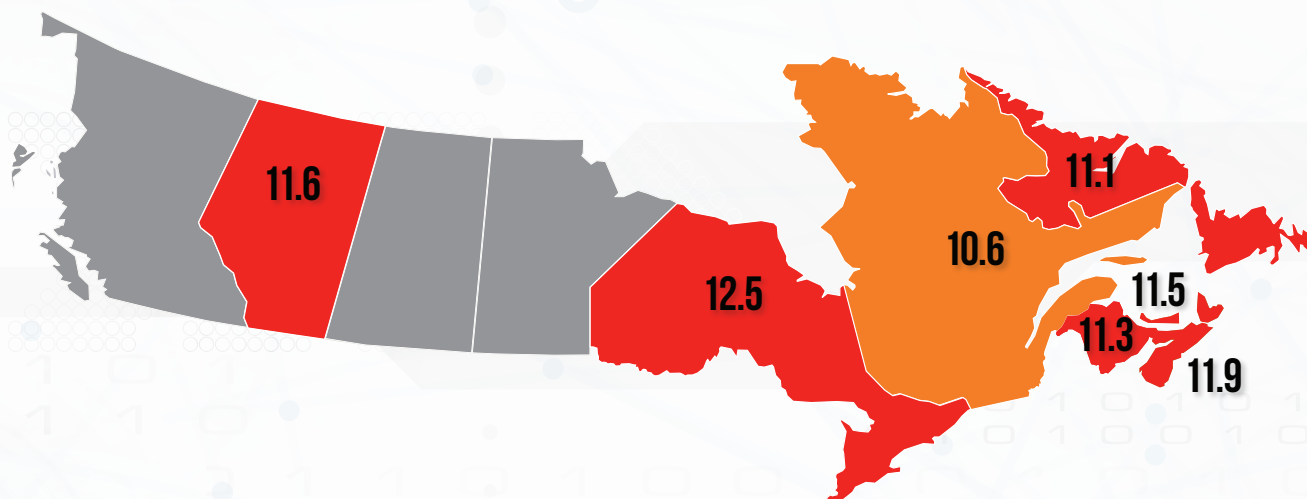


Canada Average Length of Rental by Province

Q3 - 2021



Average Billed Days for Canada		
Q3 2020	Q3 2021	Change
11.4	11.4	0.0

Year over year change

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

Province Avg Billed Days for Canada			
Province	Q3 2020 LOR	Q3 2021 LOR	Change
Alberta	13.1	11.6	-1.5
Ontario	12.1	12.5	0.4
Quebec	10.6	10.6	0.0
Newfoundland and Labrador	11.4	11.1	-0.3
New Brunswick	11.0	11.3	0.3
Nova Scotia	10.9	11.9	1.0
Prince Edward Island	9.7	11.5	1.8

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

Canada Length of Rental - Q3 2021

For the third quarter of 2021, Enterprise compared the length of rental (LOR) for transactions associated with collision repairs to those of Q3 2020. Results were the same – 11.4 days. This compares with a marked increase in LOR for the U.S., which saw an LOR increase of almost three full days over last year.

Ontario recorded an increase of 0.4 days, while Quebec was completely flat. PEI had the highest LOR increase at 1.8 days, while Nova Scotia was up a full day. Alberta had the highest decrease, down a day and a half. While Alberta recorded the driest summer on record, they also experienced above-average hail events – but this didn't translate to higher LOR, hence the decrease from 2020's destructive summer storms.

Drivable Claims

Drivable results in Canada were similar to overall; results were down 2/10 of a day. Ontario's results were flat compared to 2020, while Alberta's results were down 1.1 days. Quebec's results were essentially static, up 0.1, while New Brunswick and Nova Scotia were up 0.4 and 0.5 respectively. PEI recorded the largest increase at 1.3 days.

Non-Drivable Claims

Nationally, Non-drivable LOR was up 1.6 days compared to 2020. Alberta (down 0.4 days) and Quebec (down 0.3 days) were the only provinces to register a decrease. Newfoundland & Labrador had the highest increase at 4.6 days. Ontario's Non-drivable LOR was up 2.6 days, PEI and Nova Scotia were both up 2.4 days, and New Brunswick was up 1.5 days.

Citing data from Mitchell International, Ryan Mandell, Mitchell's Director of Performance Consulting, said: "Mitchell also saw an increase in Q3 2021 of 14.22% over Q3 2020 for repairable claims volume. The pace of increase slowed down as Q3 progressed with continued lockdowns in high population areas throughout Canada."

Mandell also added: "Parts supply chains have begun to be more impacted not only by microprocessor shortages but also by port delays, especially on the west coast of North America. Lack of parts availability is driving more repair facilities to repair parts as opposed to replacing them in an effort to maintain healthy cycle times. For the first time in the past three years, we have seen an industrywide increase in the percentage of bumper covers repaired in Q3 2021 at 28.87% compared to 27.85% in Q3 2020."

Total Loss Claims

Overall, Total Loss LOR was down a full day, from 16.8 days in Q3 2020 to 15.8 days in Q3 2021. Alberta had the largest decrease with a 3.6-day reduction. Quebec (down 1.6 days), Newfoundland & Labrador (down 1.5 days) and New Brunswick (down 0.5 days) were the provinces also scoring decreases. Ontario was up 0.4 of a day, Nova Scotia was up one full day, and PEI was up a full three days at 19.6 days.

Mitchell's data mirrored this trend according to Mandell: "Overall total loss frequency decreased from 18.13% in Q3 2020 to 17.82% in Q3 2021. The dramatic increases in used vehicle values continue to drive total loss thresholds higher meaning more vehicles are being repaired. In addition, the average total loss final market value is 19.46% higher in Q3 2021 than in Q3 2020."

Summary

While Canada's Q3 2021 LOR results are unremarkable in their comparison to results from last year, they are remarkable in comparison to Q3 2021 LOR results for the U.S. Are the factors that significantly increased LOR in the U.S. going to hit Canada in Q4? Or are there other mitigating factors at play?

According to Mandell: "The repairable claims volume in Q3 2021 still represents a greater than 10% decrease over Q3 2019 (pre-COVID). With the impending opening of the US-Canada border, we expect to see volumes increase at a faster pace in Q4 2021 and Q1 2022."

Additionally, he added: "Trucks and SUVs (including CUVs) continue to capture more claims market share with 56.85% of repairable vehicles in Q3 2021 compared to 54.34% in Q3 2020. On average, Trucks and SUVs have an ACV which is \$10,422 higher than passenger cars, so as we see more of these vehicles on the road, we can expect higher costs of repair due simply to higher total loss thresholds."

Exactly what's in store for LOR remains to be seen, but we'll certainly be keeping a close eye on Q4 2021 results in the coming months. Everyone is getting back to life at their own speed. Whenever and wherever customers are ready to get back on the road, Enterprise is ready with clean, sanitized vehicles and a low-touch rental process.

The quarterly LOR summary is produced by Enterprise Rent-A-Car. 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.