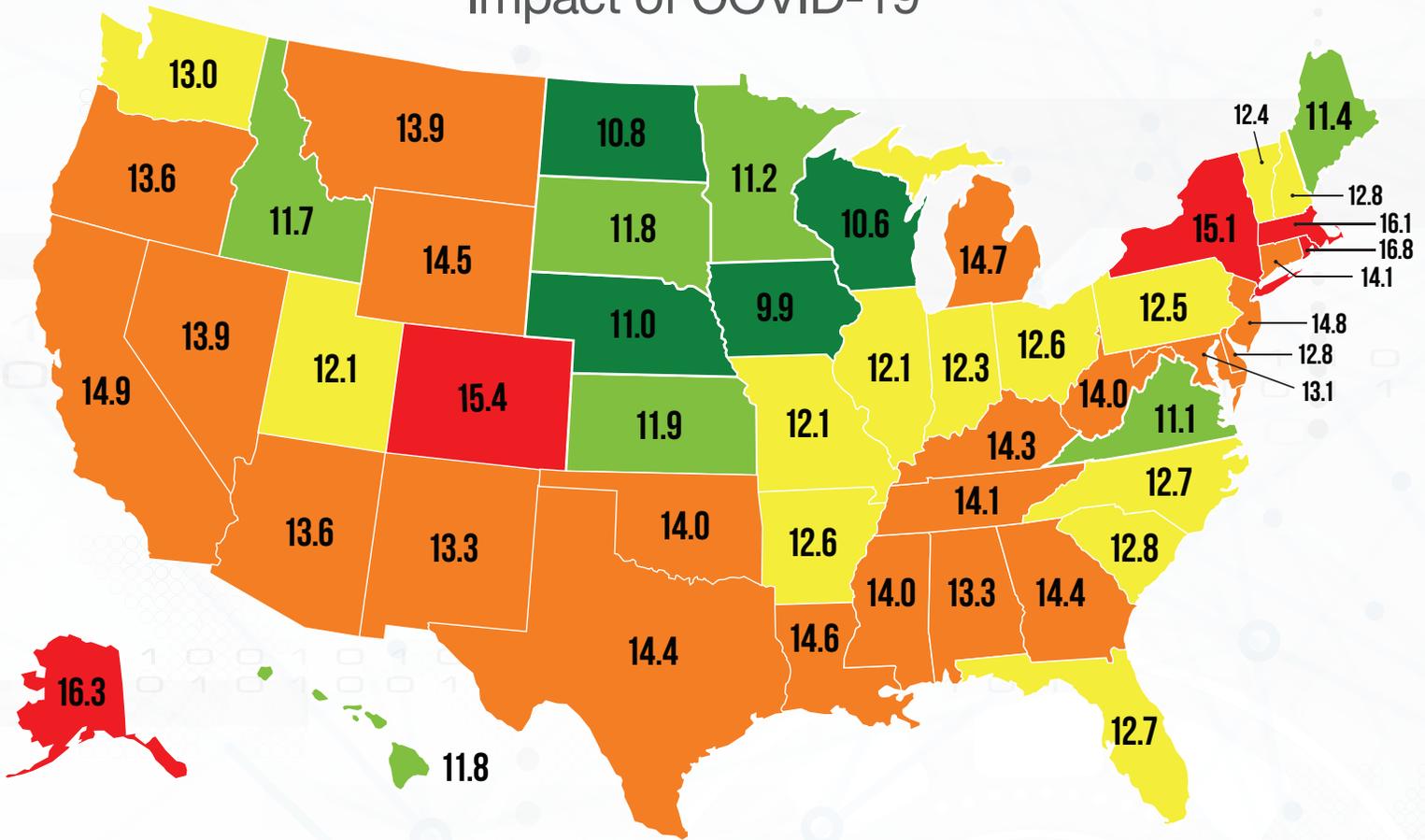


US Length of Rental by State April 2020

Impact of COVID-19



Average Billed Days for US		
April 2019	April 2020	Change
11.8	13.5	1.7

Average Billed Days for US by State			
State	April 2019 LOR	April 2020 LOR	Change
AK	12.8	16.3	3.5
AL	12.2	13.3	1.1
AR	10.8	12.6	1.8
AZ	11.9	13.6	1.7
CA	12.5	14.9	2.4
CO	14.7	15.4	0.7
CT	11.7	14.1	2.4
DC	9.1	10.2	1.1
DE	11.4	12.8	1.4
FL	11.6	12.7	1.1
GA	12.5	14.4	1.9
HI	11.1	11.8	0.7
IA	9.7	9.9	0.2
ID	10.8	11.7	0.9
IL	10.3	12.1	1.8
IN	11.0	12.3	1.3
KS	10.8	11.9	1.1
KY	12.6	14.3	1.7

Average Billed Days for US by State			
State	April 2019 LOR	April 2020 LOR	Change
LA	12.6	14.6	2.0
MA	13.4	16.1	2.7
MD	11.6	13.1	1.5
ME	10.5	11.4	0.9
MI	11.2	14.7	3.5
MN	10.4	11.2	0.8
MO	10.9	12.1	1.2
MS	12.4	14.0	1.6
MT	12.5	13.9	1.4
NC	11.5	12.7	1.2
ND	10.7	10.8	0.1
NE	10.3	11.0	0.7
NH	11.3	12.8	1.5
NJ	11.7	14.8	3.1
NM	12.2	13.3	1.1
NV	12.0	13.9	1.9
NY	12.9	15.1	2.2

Average Billed Days for US by State			
State	April 2019 LOR	April 2020 LOR	Change
OH	11.1	12.6	1.5
OK	11.7	14.0	2.3
OR	11.8	13.6	1.8
PA	11.1	12.5	1.4
PR	15.0	30.3	15.3
RI	14.9	16.8	1.9
SC	11.7	12.8	1.1
SD	11.0	11.8	0.8
TN	12.2	14.1	1.9
TX	12.1	14.4	2.3
UT	11.2	12.1	0.9
VA	10.3	11.1	0.8
VT	9.9	12.4	2.5
WA	11.0	13.0	2.0
WI	9.4	10.6	1.2
WV	12.9	14.0	1.1
WY	12.3	14.5	2.2

Year over year change

* Source: Enterprise Rent-A-Car. Includes ARMS® Insurance Company Direct Billed Rentals; April averages include all claim types.



U.S. Length of Rental - April 2020

Enterprise Rent-A-Car's Length of Rental (LOR) reports have long served as an industry proxy for repair cycle times. Enterprise measures LOR by three main vehicle statuses: Drivable, Non-drivable and Total Loss. Factors such as storms and changes to vehicle mix can affect LOR, but the onset of the COVID-19 pandemic has contributed to a marked increase in LOR at both the national and state levels. Comparing April 2020 with April 2019, LOR is up nationally 2.1 days. Large states such as New York, California and Texas saw increases of 2.9, 2.9 and 2.5 days, respectively, while smaller and more rural states experienced lower increases.

April 2020 v. April 2019

Top Ten States with Largest LOR increase

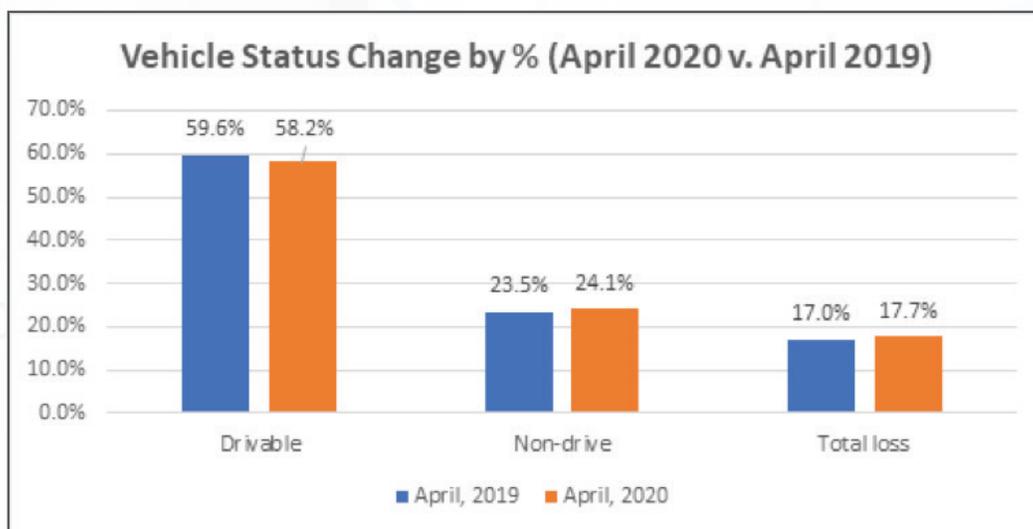
State	LOR Increase (April 2020 vs April 2019)
US Total	2.1
MICHIGAN	4.5
ALASKA	4.1
NEW JERSEY	3.9
DISTRICT OF COLUMBIA	3.5
MASSACHUSETTS	3.4
CONNECTICUT	3.0
NEW YORK	2.9
CALIFORNIA	2.9
OKLAHOMA	2.7
VERMONT	2.7

Top Ten States with Smallest LOR increase

State	LOR Increase (April 2020 vs April 2019)
US Total	2.1
NEBRASKA	0.3
NORTH DAKOTA	0.3
IOWA	0.4
MINNESOTA	0.5
COLORADO	0.9
MONTANA	1.1
SOUTH DAKOTA	1.1
HAWAII	1.2
ALABAMA	1.2
WISCONSIN	1.2

The April-over-April impact by vehicle status saw Drivable repairs increase 1.6 days, Non-drivable repairs increase 2.8 days, and Total Loss repairs increase 2.4 days. For the most part, the LOR rise by state tracked with all claims as well as the individual vehicle status LORs.

We also analyzed the overall percentages of Drivable/Non-drivable/Total Loss to see if an LOR increase could be attributed to a rise in Non-drivable and Total Loss claims. However, the percentages of each status in April 2020 were relatively static to that of April 2019.



Drivable claims decreased by only 1.4 percentage points in April 2020 compared to April of 2019. The distribution of the vehicles across Non-drivable and Total Loss was almost evenly distributed with a 0.7-point increase in Total Loss claims and a 0.6-point increase in Non-drivable claims. In addition, Greg Horn from Parts Trader shared with Enterprise that their April 2020 v. April 2019 data reflected the number of parts per repair job was within 0.9 parts per vehicle, lending credence to the conclusion that, despite a roughly 50% decrease in collision claim volume, there was little change in the type of damage being estimated.

So what caused the marked increase in LOR in April 2020?

Additional data analyzed showed multiple reasons for additional rental extensions related specifically to COVID-19. The most common were repair facility closures and customers themselves under self-imposed or mandatory quarantine orders.

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. In this unprecedented event, the increase in LOR can't be attributed to a shift of vehicle repair types. It is much more likely that – across the country and across the industry – the unique disruptions to existing processes and customers' lives have all contributed to this increase, despite the large drop in overall accidents and claims. 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.

April 2020 Length of Rental commentary is provided by Greg Horn, Chief Innovation Officer for PartsTrader. Length of Rental Data provided by Enterprise. 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 Dan Friedman at Daniel.Friedman@ehi.com.