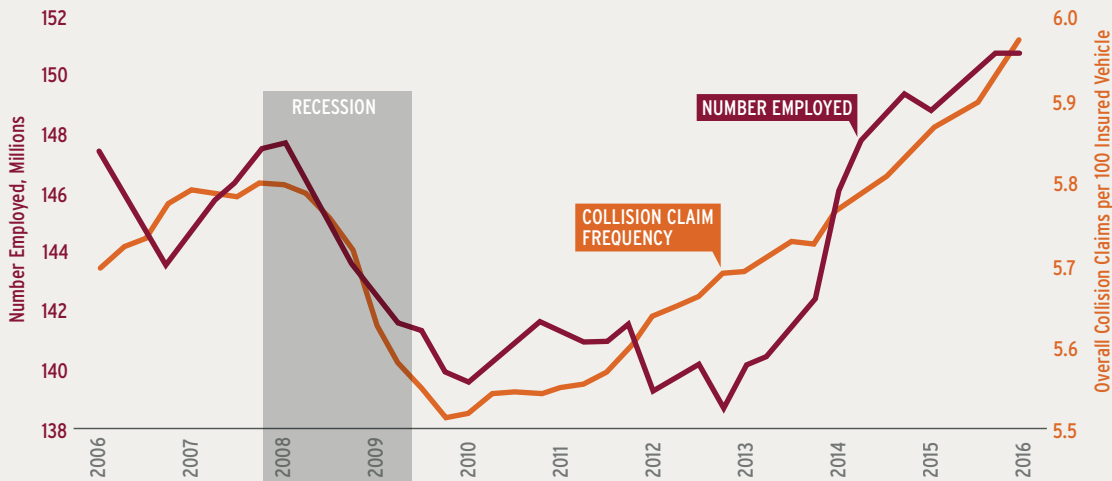


More people working and driving => more collisions

Miles driven has increased by an estimated **207 BILLION MILES** from 2013-2016. In 2016 alone, Americans drove **3.2 TRILLION MILES**, the highest recorded total since 1991.¹

EMPLOYMENT AND COLLISION TRENDS, 2006-2016



Source: Insurance Information Institute Analysis of Seasonally Adjusted Employed from Bureau of Labor Statistics; Rolling Four-Quarter Average Frequency from Insurance Services Office.

Due to rising repair costs COLLISIONS MORE LIKELY TO RESULT IN TOTAL LOSS

Since 2005 the cost of body work has risen nearly 40 percent more than inflation overall.²

almost **1 in 5**

Vehicles flagged **TOTAL LOSS** for 1st half of 2016 is highest in six years³

Distracted driving – a growing phenomenon

Drivers used their devices for an average of **3.5 minutes per hour** of driving.⁴



Drivers taking eyes off road for 2-seconds increases chances of collision by over **20x**⁴

Drivers are looking at their smartphones on **88 out of 100** trips.⁴

Depreciation

Causing more vehicles to be totaled

BLACK BOOK VEHICLE DEPRECIATION RATE⁶

OVER **46% INCREASE** IN ONLY **2 YEARS!**

2014
11.8%

2016
17.3%

Annual Depreciation of 2-6 year old vehicles

Negative Equity

Driving loan-to-value & loan terms to all time highs

Negative equity rolled over averaged **\$4,832**



During the first three quarters of 2016, an estimated 32% of all trade-ins rolled into a new vehicle purchase had

Negative Equity—highest rate ever⁵

¹ "Rising GAP Claims Reveal Troubling Trends", F&I and Showroom, March 2017 ² "More Accidents, Larger Claims Drive Costs Higher", Insurance Information Institute, Oct 2016 ³ "More Total Loss Vehicles on Horizon," CCC Information Services, Inc., Sept 30, 2016 (refers to both collision and liability) ⁴ Largest Distracted Driving Behavior Study, Zendrive, Dec. 2016 - Feb. 2017 ⁵ "More Car Shoppers are Underwater on their Trade-In Than Ever Before", Edmonds.com, Nov 14, 2016 ⁶ Black Book, Fitch Ratings: Vehicle Depreciation Report, Feb 2017