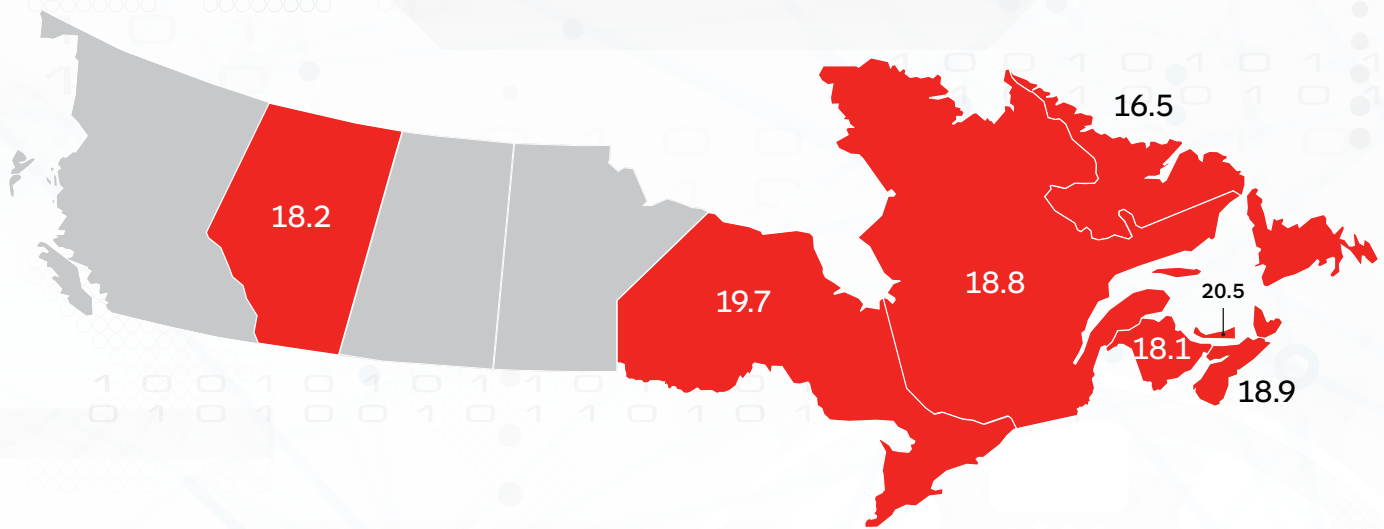


Canada Average Length of Rental by Province

Q1 2023



Average Billed Days for Canada		
Q1 2022	Q1 2023	Change
15.1	18.1	3.0



Average Billed Days for Canada by Province			
Province	Q1 2022	Q1 2023	Change
Alberta	14.8	18.2	3.4
New Brunswick	14.8	18.1	3.3
Newfoundland and Labrador	13.5	16.5	3.0
Nova Scotia	16.4	18.9	2.5
Ontario	16.9	19.7	2.8
Prince Edward Island	11.3	20.5	9.2
Quebec	14.8	18.8	4.0

*Source: Enterprise Rent-A-Car. Includes ARMS® Insurance Company Direct Billed Rentals.
 *Data excludes the private carrier processes of British Columbia, Manitoba and Saskatchewan

Canada Overall

The overall Length of Rental (LOR) for rentals associated with automobile claims was 18.1 in Q1 2023, representing a full 3.0-day increase from Q1 2022. While this is high, it is a smaller overall increase than the one we saw in Q4 2022 compared to Q4 2021 (+4.3 days).

PEI had the highest LOR at 20.5 days, reflecting an increase of 9.2 days compared to Q1 2022. Ontario wasn't far behind at 19.7 days. Nova Scotia followed at 18.9 days, Quebec was 18.8 days, Alberta 18.2, and New Brunswick 18.1. Newfoundland & Labrador was the only outlier at 16.5 days overall.

With the Canadian results experiencing the same trends as the U.S., we wanted to offer some insights south of the border. John Yoswick, Editor of the weekly CRASH Network newsletter in the U.S., shared that the national average backlog of work at U.S. shops set another record-high in January, reaching 5.8 weeks last month, up from 5.3 weeks in the last quarter of 2022. For the first time since they began tracking backlogs in 2017, fully 60% of shops in January were scheduling work four or more weeks into the future. Of the more than 700 shops that responded to the survey, almost 9 in 10 (87%) were scheduling two weeks or more into the future, and only eight shops (1.1%) said they currently had no backlog and could schedule work immediately.

Ryan Mandell, Director of Claims Performance for Mitchell International, shared: "Canada experienced an increase in parts availability through the aftermarket channel with overall alternative parts utilization increasing from 25.32% in Q1 2022 to 27.71% in Q1 2023."

"The refinish process is increasingly lengthening in Canada with the average number of refinish hours increasing to 8.55 from 8.53, and average number of blend lines increasing from 0.57 to 0.6. While these numbers may seem minute at best, we can expect these numbers to continue to increase as supplements develop over the course of the next

several months," Mandell added. "Similar to the U.S., Canada saw a decline in the frequency of air bag deployment for repairable vehicles from 1.21% to 1.12%; however, the frequency of repairable vehicles classified as non-drivable increased significantly from 14.73% in Q1 2022 to 15.99% in Q1 2023."

Mandell also offered: "Contrary to what we saw in the U.S., Canadian front-end impact frequency actually increased from 34.63% to 35.09% in the first quarter."

Drivable

The drivable LOR for Q1 2023 was 12.7 days, a comparatively more modest increase at 1.8 days higher than Q1 2022. Ontario was tops at 14.4 days, which was a 1.9-day increase year-over-year. PEI was next-highest at 13.4 days, but that was fueled by a 6.8-day increase from Q1 2022. New Brunswick and Quebec had the lowest drivable LOR of 11.0 days, which represented a 1.7-day increase for both provinces.

Non-Drivable

Much of Canada's overall 3.0-day increase came from rentals associated with non-drivable claims. Non-drivable LOR in Q1 2023 was 32.6 days, a 6.8-day increase from Q1 2022. This comes on top of the increase of 8.3 days Canada saw comparing Q1 2022 against Q1 2021.

PEI had the highest non-drivable LOR with 40.4 days, a 13.5-day increase from Q1 2022. Nova Scotia followed at 36.1 days, and Ontario and Alberta weren't far behind at 35.0 and 34.7 days respectively. Ontario's results reflect a 7.3-day increase over Q1 2022, and Alberta is up 9.2 days. Quebec had the lowest non-drivable LOR at 25.0 days, which still represents a 5.4-day increase from Q1 2022.

Total Loss

Total Loss LOR in Q1 2023 was 26.0 days, a 5.1-day jump from Q1 2022. Nova Scotia and PEI both came in at 28.0 days, 11.4- and 14.0-day increases respectively. Alberta total loss LOR was 26.6 days with Ontario close behind at 26.5 days.

Summary

The results for the first quarter of this year are significant, with LOR exacerbated by supply chain disruptions, parts delays, collision repair backlogs, and technician shortages. With the complexity of vehicle repairs only increasing, for both internal combustion engine (ICE) and battery electric vehicles (BEV) models, the entire industry must play a part in ensuring all collision-related businesses are aligned — not just for procedural solutions, but to ensure our mutual customers receive safe and proper repairs, an excellent experience, and peace of mind.

Enterprise is committed to partnering with insurers, repairers, and suppliers on each one of these issues. Through foundational support provided by the Enterprise Holdings Foundation, Enterprise is spearheading the Collision Engineering Program, designed to attract and develop entry-level talent to fill essential roles within the collision repair industry. Enterprise is thrilled to expand its longtime partnership with Ford Motor Company, through its philanthropic arm, the Ford Fund, to expand the program and help address this ongoing industry challenge. For more information, visit www.beacollisionengineer.com.