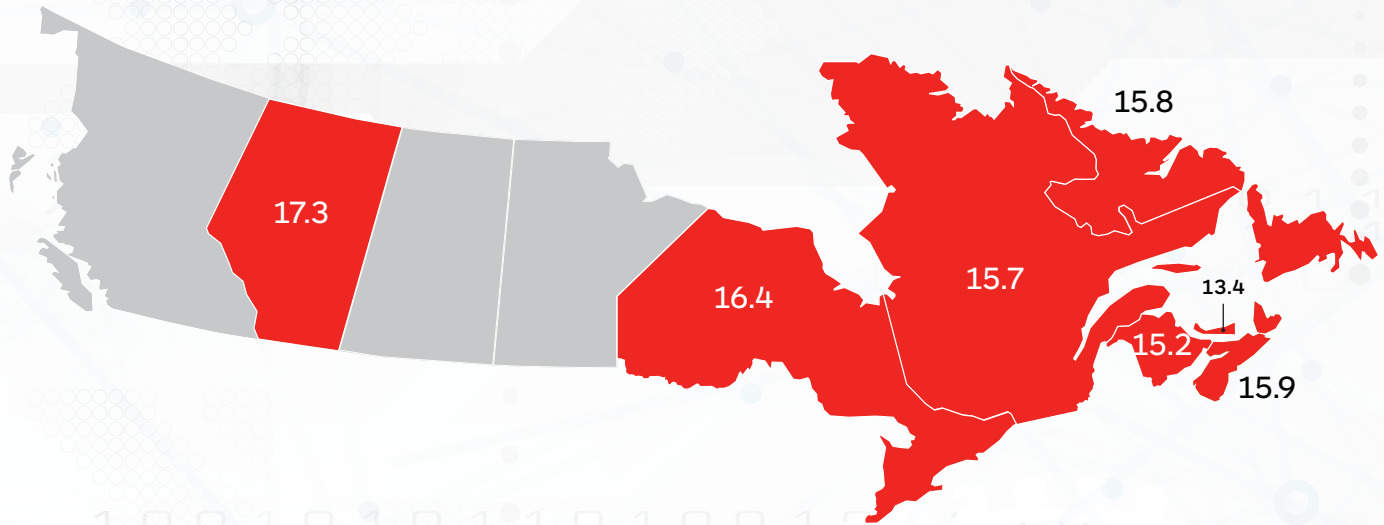


Canada Average Length of Rental by Province

Q2 2024



Average Billed Days for Canada		
Q2 2023	Q2 2024	Change
16.8	15.5	-1.3



Average Billed Days for Canada by Province			
Province	Q2 2023	Q2 2024	Change
Alberta	17.0	17.3	0.3
New Brunswick	15.8	15.2	-0.6
Newfoundland and Labrador	16.0	15.8	-0.2
Nova Scotia	17.0	15.9	-1.1
Ontario	18.3	16.4	-1.9
Prince Edward Island	19.9	13.4	-6.5
Quebec	18.4	15.7	-2.7

*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 Overall

Overall length of rental (LOR) for collision-related rentals in Canada was 15.5 days in Q2 2024, a 1.3-day decline from Q2 2023. The Q2 2024 results mirror those in the U.S., whereby LOR decreases are significant compared to Q2 2023, but still higher than those observed in Q2 2022 and especially Q2 2021.

Alberta had the highest LOR at 17.3 days, which was a 0.3-day increase (and the only province to see higher results). Ontario had the next-highest LOR at 16.4 days, though that represented a 1.9-day decline from Q2 2023. Prince Edward Island (PEI) had the lowest LOR at 13.4 days, a significant 6.5-day decline from their Q2 2023 results.

With Canada's results mirroring those in the U.S., we wanted to share some insights into repair volume from John Yoswick, editor of the weekly *CRASH Network* newsletter: "As Q2 2024 started, there was a significant decline in the average backlog of work in shops nationwide. Backlogs always drop from Q1 to Q2 each year, typically by two or three days. This year, however, backlog plummeted by nearly nine days in the second quarter – the largest decline in backlog since the 10-day drop in the second quarter of 2020 (at the start of the pandemic lockdowns). With this quarter's drop of 8.8 days, the average scheduling backlog of 2.7 weeks is now more than three weeks shorter than the high of 5.8 weeks reached in the first quarter of 2023."

"That said, a 2.7-week average remains higher than any quarter prior to mid-2021, and nearly double the historical second quarter average of 1.4 weeks," Yoswick added. "Backlogs typically rise from Q2 to Q3 each year, so if the decline continues this summer, that will be surprising."

Ryan Mandell, Director of Claims Performance for Mitchell International, observed: "The average first-party deductible amount continues to climb, signaling weakened consumer health and a higher likelihood of claims not being filed or insureds possibly dropping first-party coverage altogether as premiums have increased dramatically. In Canada, the number rose to \$636, up from \$589 in Q2 2023."

Drivable

Drivable LOR was 12.2 days in Q2 2024, a minor decline of 0.1 days from Q2 2023. Alberta recorded the highest drivable LOR at 13.6 days, a 0.5-day increase from Q2 2023. Ontario was next-highest at 13.3 days, a 0.4-day decline. PEI had the lowest drivable LOR at 9.1 days, a 4.4-day drop.

Non-Drivable

Non-drivable LOR was 28.0 days, a 2.4-day drop from Q2 2023. This also aligns with the U.S. trends, whereby the overall LOR decreases are being driven in the non-drivable channel.

Newfoundland & Labrador had the highest non-drivable LOR at 35.7 days, which was a significant decrease of 7.5 days from this time last year. Alberta's 34.0 days was next-highest, with Nova Scotia (30.3) and PEI (30.1) being the two additional provinces that had results higher than the 30-day mark. Quebec had the lowest non-drivable LOR at 22.4 days.

All provinces saw non-drivable LOR decreases, ranging from PEI (down 13.9 days) to Alberta (down 2.4 days).

While these declines are noteworthy, it's also important to compare 2021 and 2022 results for additional context. In Q2 2022, LOR with rentals associated with non-drivable claims was 30.3 days, which was a 13.2-day increase from Q2 2021's result of 17.1 days. So, comparing Q2 2024 to Q2 2021, non-drivable LOR has increased 10.9 days.

Total Loss

LOR for total loss-affiliated rentals was 21.2 days in Q2 2024, a 3.1-day decrease from Q2 2023. PEI had the highest LOR at 38.4 days, which was an 8.6-day increase from Q2 2023. All other provinces had total loss LOR decreases, from Alberta's a minor 0.1-day drop to Quebec's significant reduction of 12.3 days.

Mandell also observed: “In Canada, total loss frequency increased in Q2 2024 to 18.8%, which is up from 17.9% in Q2 2023. As vehicle values continue to decline, we expect total loss frequency to gradually increase as well, especially with severity gains not showing any signs of abating. With more vehicles being written off, the higher dollar repairs are no longer flowing into repair facilities, and overall repairable volumes will decline, creating fewer bottlenecks and delays in repair facilities.”

Summary

The LOR results for the second quarter of 2024 are significantly lower but are still quite high compared to the results from Q2 2021. 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 Mobility 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.

For more information, visit

www.beacollisionengineer.com.