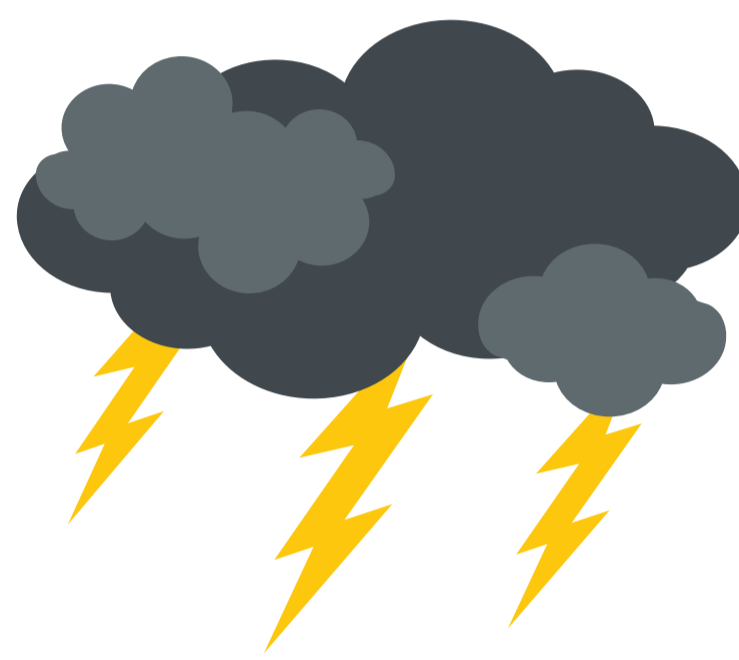


The many factors driving auto insurance rates

Inflationary pressures and shortages are contributing to the rising costs to repair and replace vehicles.

Here are some of the factors that may affect premiums moving forward.

15 separate \$1B+ loss events from weather as of Oct 11, 2022¹



Supply chain issues triggering shortage of chips — and new cars²

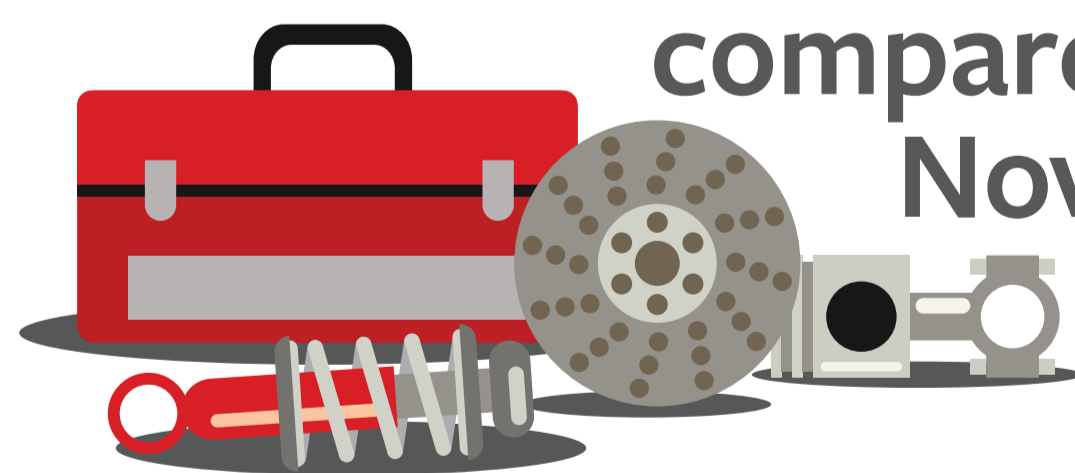
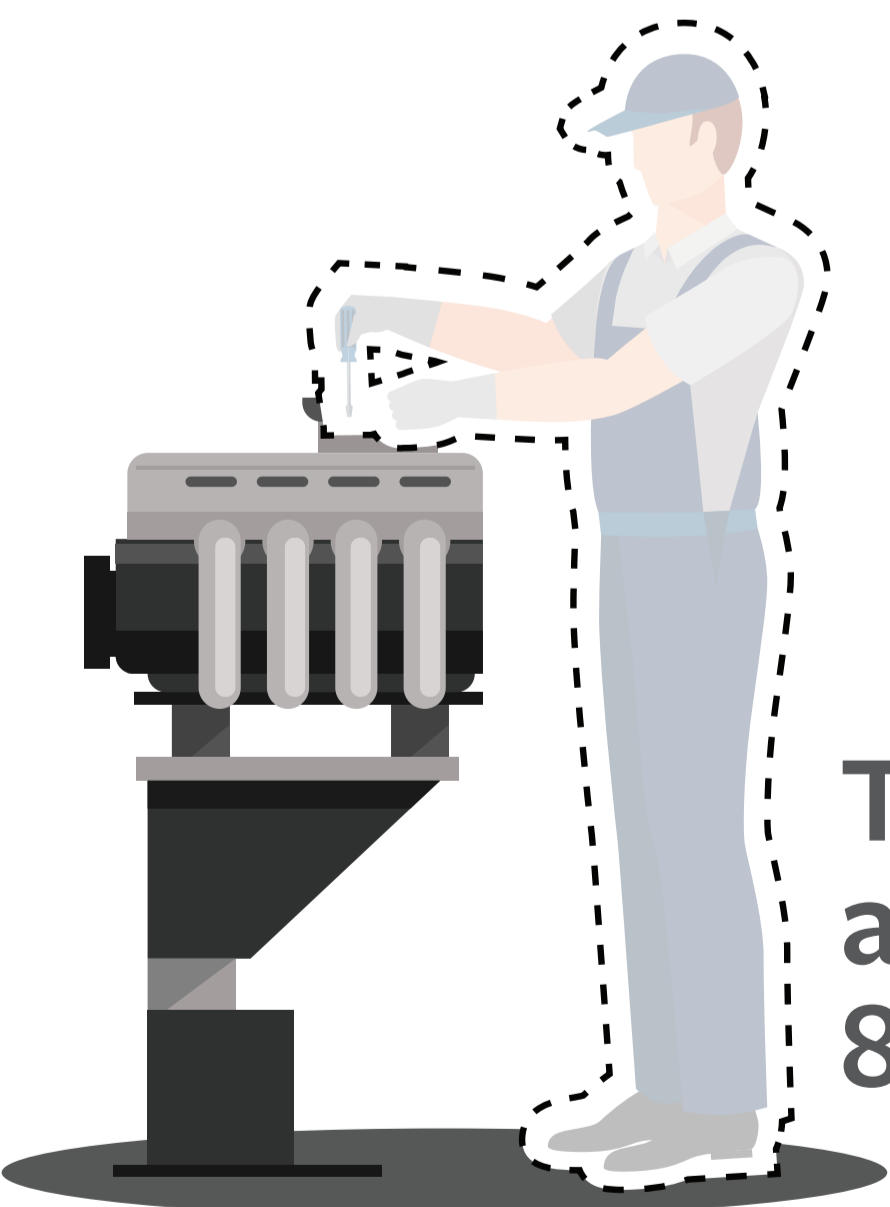


High severity in auto accidents; number of fatal car crashes is up 15%, 2022 compared to 2020³



Used car and truck prices up 7.2%; new vehicle prices up 9.4% Sept '21 - Sept '22⁴

Vehicles: bodywork costs up 12%, repairs up 15%, Nov '21 compared to Nov '22⁵



There are labor shortages,⁶ and wage increases are up 8.5%, Q1 '22 over Q1 '21⁷

¹ NOAA National Centers for Environmental Information (NCEI), U.S. Billion-Dollar Weather and Climate Disasters (2022), <https://www.ncdc.noaa.gov/billions/>; ² Chip Shortages Still Plague Toyota, Some Other Auto Makers, November 1, 2022, <https://www.wsj.com/articles/chip-shortages-still-plague-toyota-other-auto-makers-11667280514>; ³ National Safety Council (NSC), <https://injuryfacts.nsc.org/motor-vehicle/overview/preliminary-monthly-estimates/>; ⁴ U.S. Bureau of Labor Statistics, October 19, 2022, <https://www.bls.gov/opub/ted/2022/consumer-prices-for-shelter-up-6-6-percent-for-year-ended-september-2022.htm>; ⁵ U.S. Bureau of Labor Statistics, Jan-Nov 2022, <https://www.bls.gov/news.release/pdf/cpi.pdf>; ⁶ TechForce, <https://techforce.org/techforce-releases-2022-technician-supply-demand-report/>; ⁷ U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, General Automotive Repair, 1Q21-1Q22.