

The Reality of Car Crashes

At Encompass, we recognize there are a number of factors impacting our industry. Below are some of the trends affecting the auto insurance market.

TODAY



MORE PEOPLE ARE EMPLOYED

1969

last time unemployment was as low as it is today

Bureau of Labor Statistics, November 2018

39%

of vacations were road trips in 2016, up from 22% the previous year

New York Times, February 2018

85%

of commuters drive to work each day

Brookings Institution



MORE CARS ON THE ROAD

17.25 million

cars sold in 2017, with vehicle sales projected to remain strong in 2019

Automotive News

1.3

vehicles registered per licensed driver, a return to pre-recession registration rates

Certified Collateral Corporation

6%

decrease in use of public transportation in large cities, due to higher usage in ride-hailing services

University of Southern California - Annenberg



MORE DISTRACTED DRIVERS

9

Americans die every day from distracted accidents

Center for Disease Control and Prevention

27%

of car accidents are caused by texting and driving

National Highway Traffic Safety Administration

481,000

drivers use cell phones during daylight hours every day

National Highway Traffic Safety Administration

THE RESULT: More Crashes, More Expensive Repairs

Higher Glass Prices Mean More Expensive Repairs

- 10% tariff on all glass products imported from China was implemented September 2018
- 65% of vehicle glass replacements in the U.S. come from China
Safelite
- Encompass windshield-replacement claims account for nearly 71% of all glass claims and carry a severity level nearly 5 times that of a repairable windshield

We are committed to helping customers recover from unexpected losses and protect what matters most.



Greater Repair Costs Due To:



Higher average number of parts replaced per claim*



Advanced driver-assistance systems (ADAS) technology in windshields



Higher average number of labor hours per claim*



Higher average hourly labor rate*

** Forbes, February 2018*