

March 27, 2023

Attn: Commercial Collision Repair participants

RE: Paint and Body material rate increase

Dear Commercial Collision Repair Partners,

Last year, we committed to reviewing paint and body material cost allowances on an annual basis. We're writing to let you know we've completed our review for 2023 and will be increasing rates for paint and body materials effective March 31, 2023.

The new rates are as follows:

Item	Current rate	New rate (as of March 31, 2023)
Paint material (single-stage)	\$49.67	\$54.14
Paint material (two-stage)	\$81.07	\$88.37
Body material	\$8.09	\$8.49

The new rates will apply:

- To all repairs in progress with a vehicle-in date of January 1, 2023 or later.
- To new estimates starting March 31, 2023 or after.

In determining the new rates, we worked with industry suppliers to collect data on cost increases and build an understanding of other factors that could influence prices in the future. The data provided by these suppliers was critical to understanding how costs are evolving and how key factors were considered, and integral in building our analysis and review process.

Once we received the data, we conducted our analysis and made our decision to increase paint and material rates. We'd like to thank Color Compass Corporation and Horizon Paint & Auto Body Supplies for their participation.

If you have any questions, please contact <u>Troy Campbell</u> or <u>Jonathon Stewart</u>.

Sincerely,

Alden Li, Director, Claims Customer and MD strategy