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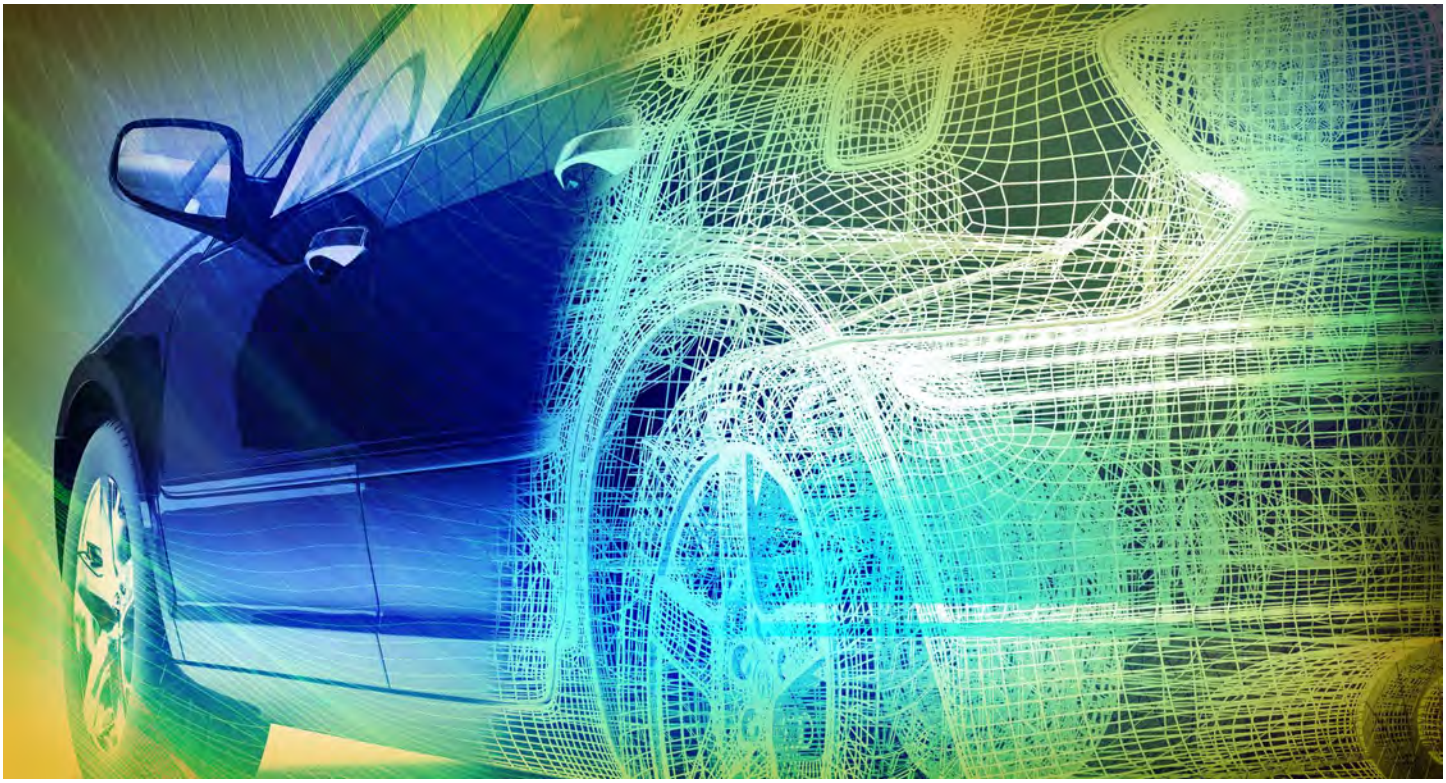
Industry Trends Report

FEATURED IN THIS ISSUE:

Pulling and Squaring: A Look at Frame and Unibody Straightening

BY GREG HORN, Vice President of Industry Relations, Mitchell



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Industry Trends Report

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About the author…

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Vice President of Industry Relations, Mitchell

Greg Horn joined Mitchell in September of 2006 as Vice President of Industry Relations.

In this role, Greg assists the Mitchell sales force in providing custom tailored business solutions to the Property and Casualty Claims and Automotive Collision Repair industries.

He provides guidance to Mitchell's Product Management and Business Analytics teams, playing an important role in shaping Mitchell's solution portfolio to ensure that it meets the evolving needs of current and future clients. Greg also presents Mitchell's Industry Trends Updates at conferences across the country.

Prior to joining Mitchell, Greg served as Vice President of Material Damage Claims at GMAC Insurance, where he was responsible for all aspects of the physical damage claims process and the implementation of a unique vehicle replacement program along with serving on the GM Safety Committee. Prior to GMAC, Greg served as Director of Material Damage Processes for National Grange Mutual in Keene, NH.

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Don't miss the chance to get the inside scoop!

Pulling and Squaring: A Look at Frame and Unibody Straightening

BY GREG HORN
Vice President of Industry Relations, Mitchell

In past feature articles, I have explored several aspects of parts trends, paint and materials operations. I have also looked at the impact that external issues such as natural disasters have on our business. One of the few subjects I have not covered in detail is frame/unibody straightening.

It is an important area of estimating and a worthy topic, but it is not without challenges. In many aspects of the estimating process, regional variances and customs often make it difficult to compare and evaluate all the data on a level field. Frame/unibody estimating is no exception. For example, some parts of the country list the repair operations as a sublet or in a bulk dollar amount, so it is hard to see hourly amounts or individual operations such as set up and measure. In analyzing our national data sample, I uncovered a significant number of estimates with frame sublet listed and a larger number with frame/unibody straightening listed as an hourly operation. For simple, apples-to-apples purposes, this article focuses on the hourly data findings.

The Sample

To begin with, I looked at a robust sample size of just under 1.5 million random estimates. I used 'aged' estimates from our 'data pool' that were more than 90 days old, so I could be reasonably certain that the estimates reviewed were 'final' with all supplements applied. The estimates selected for the sample were for repairable vehicles only, because the cynic in me believes there are certain appraisers who will 'load up' estimates so

I drew two conclusions from this exercise: first, the exemption from bumper crash standards given to trucks leads to more frame repair; and second, Asian vehicles are more susceptible to frame damage than their Domestic and European counterparts.

that an estimate for an obvious total loss adds up to the amount needed to total a vehicle.

My Suppositions

I began my career in an area with several high-end collision shops that specialized in European luxury cars. Perhaps that is why I wanted to segregate the data by vehicle country of origin to see if European vehicles were subject to more frame/unibody time than Domestic or Asian vehicles. I also believe that unibody vehicles, by design, are meant to absorb damage by deforming the unibody and therefore will require more straightening than a traditional body-on-frame truck.

The Findings

The sample size of approximately 1.5 million repairable estimates yielded some surprising results. A review of the detail of the hourly operations showed that frame labor averaged $54.05 per hour, with Domestic vehicles having the highest hourly frame/unibody labor rate. The average hourly operation to pull and square the unibody after set up was just under 3.2 hours, indicating a fairly modest pull. Interestingly, when split out by vehicle type, traditional ladder frame light duty trucks averaged over 5 hours of pulling and squaring after set up. I believe that is due to the front bumper on trucks being bracketed to the frame rail end without an absorber to limit frame rail distortion.

The second interesting finding, which ran counter to my belief that European vehicles require more straightening time, was that Asian vehicles had a straightening frequency 12 percent higher than European or Domestic makes. I was equally surprised to learn that European and Domestic vehicles had an identical frequency of straightening, disproving my long-held belief that European vehicles are more prone to unibody repair. Additionally, the sample revealed that the frequency with which straightening appeared on estimates when split out by model year was consistent until I looked at vehicles in the 2003 and older model years. At that point, a low actual cash value seemed to result in more total losses when frame / unibody repairs were needed.

Conclusions

I drew two conclusions from this exercise: first, the exemption from bumper crash standards given to trucks leads to more frame repair; and second, Asian vehicles are more susceptible to frame damage than their Domestic and European counterparts.

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The Economy and Short-Term Energy Outlook

The Economy

The Federal Open Market Committee (FOMC) has decided to keep the target range for the federal funds rate at 0 to 1/4 percent, according to a statement released March 13, 2012. Based on available indicators, the FOMC determined that activity was expanding moderately, with improvement in labor market conditions and further declines in the unemployment rate, although that rate remained elevated. While crude oil and gasoline prices increased, overall consumer price inflation was relatively subdued in recent months. Long-run inflation expectations remained stable. The FOMC reported that financial conditions had improved notably since its January meeting but economic expansion continued to be restrained by slower growth in some countries. This would likely mean fiscal tightening in the United States, weak housing markets and continued business and consumer deleveraging in an atmosphere of economic uncertainty.

For the March meeting, FOMC staff revised its near-term forecast for real GDP growth upward due to improved labor market and production conditions coupled with a greater-than-anticipated decline in the unemployment rate, although the FOMC expected the unemployment rate to remain high throughout 2013. Other factors seen as contributing to better GDP growth included an improved outlook for economic activity abroad, a lower foreign exchange value for the dollar, and a higher projected path of equity prices.

Compared to projections of other recent FOMC meetings, inflation is expected to rise higher in the near term. This is a result of higher pricing for oil and other commodities coupled with a narrower margin of economic slack. However, inflation is not expected to continue to rise throughout 2012 and 2013, as energy prices are expected to level out later in 2012, remaining at or below the 2 percent rate.

Labor market conditions have improved further since the beginning of the year; payroll employment has continued to expand, accompanied by the declining, although still relatively high, unemployment rate. In terms of labor compensation, nominal wage gains were small, showing only a minimal increase in compensation per hour in the nonfarm sector. By contrast, the employment cost index increased at a more modest rate; average hourly earnings saw little change recently. Household spending and business fixed investment also saw recent improvement. However, despite signs of stabilization in some local housing markets, the housing sector was seen as still depressed.

Consumer spending experienced moderate increases, buoyed by improvements in labor market conditions and the easing of financial conditions. However, sluggish growth in real disposable spending and weak consumer sentiment were seen as restraining consumption. The curb in consumer spending was attributed to the recent increase in petroleum prices, although the warm winter and lower natural gas prices helped to blunt the impact somewhat. While household purchase of motor vehicles was notable, other goods and services did not experience the same increase in spending. Real household disposable income grew last December and January, as labor earnings rose solidly and household net worth benefited from gains in equity values.

More positive news came from the manufacturing, energy, and agriculture sectors. New auto sales led the good news story. Vehicle inventories increased in February, and additional increases were projected throughout the second half of the year. Most businesses, however, were reluctant to add new employees in light of uncertainty about the strength of the economic recovery. FOMC participants noted that manufacturing production increased considerably in January, and the rate of manufacturing capacity utilization kept apace as well.

The outlook for fiscal policy and the export sector such as assessments of the outlook for government revenues and expenditures were mixed. While state and local government spending and employment have recently seen modest growth after steep declines, there was an overarching concern about uncertainty regarding longer-term federal budget planning. The risk was seen as an abrupt and sharp fiscal tightening in early 2013, if the federal budget issues are not resolved. Exports remained a bright spot, although they also carry attendant risks from economic weakness and economic slowdown abroad. Real defense expenditures continued to decline after decreasing significantly in the fourth quarter.

Foreign economic activity was seen in a more positive light in March, as the FOMC viewed recent policy actions in the euro area as a positive move with the potential to reduce financial stresses and lower downside risks in the short term. The FOMC noted, however, that increased volatility in financial markets remained a possibility if measures to address the longer-term fiscal and banking issues in the euro area were not instituted in the near term. The U.S. international trade deficit widened in December and January, as imports increased more than exports.

Short-Term Energy Outlook

The U.S. Energy Information Administration (EIA) expects the price of West Texas Intermediate (WTI) crude oil to average about $106 per barrel in 2012. That is $5 per barrel higher than in the previous FOMC forecast and $11 per barrel higher than the average price last year. World crude price increases in February 2012 were due to supply disruptions in the Middle East and Africa. Prices are expected to remain stable in 2012, averaging about $106 per barrel, while the U.S. refiner cost of crude oil averages $110 per barrel.

The forecast for regular-grade motor gasoline retail prices is expected to average $3.79 per gallon in 2012 and $3.72 per gallon in 2013, compared with $3.53 per gallon in 2011. During the 2012 April through September summer driving season, prices are forecast to average about $3.92 per gallon with a peak monthly average price of $3.96 per gallon in May. June regular-grade gasoline retail pricing is expected to be about $4.00 per gallon.

The warm winter resulted in big natural gas working inventories with attendant price declines in the natural gas spot price forecast.

EIA expects electricity generation from coal to decrease around 5 percent in 2012, as generation from natural gas increases by about 9 percent. EIA forecasts that electricity generation from coal will increase by 3.8 percent in 2013, as projected coal prices to the power sector fall slightly while natural gas prices increase and coal regains some of its power sector generation share.

Information on the economy and short-term energy outlook was obtained from the US Federal Reserve Board, Federal Open Market Committee (FOMC) and the US Department of Energy, Energy Information Administration (EIA). For more information, or to view original source materials, visit: www.federalreserve.gov/FOMC or www.eia.doe.gov

Annual Government Data Release Shows Post-Recession Employment Decline, Rising Wages

Excerpted From: ***CollisionWeek***

In the three years since the recession, collision repair production employees wages have risen an average 4.8 percent while their numbers have dropped considerably. The size of the U.S. collision repair industry workforce dropped 9.9 percent from 2008-2011 according to the latest annual data published on March 27 by the United States Department of Labor. The good news is that the year over year employee count grew in 2011 for the first time since 2008, though just a scant 0.36 percent.

This data confirms conclusions drawn by our quarterly business conditions surveys where many shops had been lowering their employee headcount in response to declining work levels since the beginning of the recession and only in recent quarters have shops indicated a more stable workforce.

Total Estimators, Painters, Body vs. Median Annual Wages

In the four years leading up to the recession, the total estimated workforce of the collision repair industry had steadily averaged approximately 255,000 employees, including all occupational categories. But in just the first two years of the recession, by May 2010, total industry employment had dropped to 229,320 (10.%), rising slightly to 230,150.

The data comes from the newly released annual report of the Department of Labor's Bureau of Labor Statistics Occupational Employment

Employee					
Count and wages	2007	2008	2009	2010	2011
Painters	22550	22730	21780	20770	21030
10th Percentile	$22,570	$23,910	$23,950	$24,610	$24,990
50th Percentile	$36,190	$37,580	$38,640	$39,810	$39,870
90th Percentile	$60,390	$63,250	$64,260	$66,260	$67,580
Body Repairers	92280	92030	84680	83900	84570
10th Percentile	$21,330	$22,010	$22,830	$22,520	$22,030
50th Percentile	$35,180	$36,560	$37,630	$37,870	$37,830
90th Percentile	$59,820	$62,200	$63,450	$64,010	$64,070
Estimators	8200	8710	8610	8620	8890
10th Percentile	$29,790	$29,460	$29,420	$30,800	$31,840
50th Percentile	$47,770	$48,570	$48,890	$49,850	$50,920
90th Percentile	$75,980	$76,750	$74,880	$77,390	$81,010

Statistics (OES) program and covers the period ending in May 2011.

While the report details over 100 separate job classifications within the collision repair industry, we examined three of the largest occupational categories (as defined by the OES program) to be representative of the production side of the industry: estimators, painters and body repairers.

As seen in the table, the newest wage and hour data shows that while average pay rates for these three job positions continued to rise throughout the post-recession period, the number of employees holding those positions has mostly fallen. Employees classified as painters have dropped 7.5 percent from 2008 to May 2011. Body repairers have fallen by 8.1 percent, but the number of estimators is now actually 2.1 percent higher than it was in 2008.

The total combined reduction in just these three positions since 2008 is now 7.3 percent, or 8,980 jobs. As we have noted in the past, when comparing this figure to the entire industry employment decline of 9.9 percent over the same period, it would seem that shops are continuing to make their headcount reductions in non-production positions where possible. The disparity between the overall employment decline of 9.9 percent and the production decline of just 7.3 would suggest that more job cuts came from the office than the shop floor.

As shown in the table, the median wages in these three occupations has continued to rise from 2008 to 2011 (an average of 4.8%). It is also evident that the range of annual pay in all three occupations varies significantly. All three show a very wide range of wages from the low end of the pay scale to the high end. Estimators, in the 90th percentile are earning just over $81,000 per year as of May 2011, or $49,170 more than their counterparts in the 10th percentile range. The data collected by the government covers those industry employees involved in the "repair and refinish [of] automotive vehicle bodies and straightening [of] vehicle frames."

From 2003 through 2011, the total number of estimators, repairers and painters combined fell 6.2 percent from 122,070 in 2003 to just 114,490 working in the collision repair industry in May of 2011. Interestingly, the entire decline came only from the largest group, body repairers, which declined by 13.5 percent. The number of estimators on the other hand has risen an incredible 49.4 percent while the number of painters rose 14.3 percent.

Used Vehicle Index Rises Again in March

Originally published in ABRN Feb. 1, 2012

Wholesale used vehicle prices (on a mix-, mileage-, and seasonally adjusted basis) rose for the third consecutive month in March. The Manheim Used Vehicle Value Index now stands at 126.2, an increase of 1.6 percent from a year ago, leaving wholesale values just 1.3 percent below the record high reached in May 2011.

With a strengthening economy offsetting the dampening effect of higher gas prices, new and used vehicle retail demand remained strong in March. Auction bidding was particularly active for mid-priced units coming out of rental and commercial fleet service.

Average auction prices for rental risk units hit a new high in March. The number of units sold was up substantially from both February and year-ago levels. Average mileage on rental risk units slipped back 37,400 miles in March, from more than 40,000 miles in February.

The mileage- and seasonally adjusted price for midsize cars coming out of fleet service hit a new high in March. Crossover units, which represent a growing share of the portfolio, also enjoyed record prices. Commercial fleet sellers benefited from a portfolio mix that reflected their shift to fuel-efficient purchases in past years.

After high unit sales in February, commercial fleet volumes at auction slipped in March. Average mileage on units sold at auction was up marginally in March versus a year ago and the previous month.

First-quarter new and used vehicle sales were the best since 2007. New cars and light-duty trucks sold at a seasonally adjusted annual rate of 14.4 million in March, resulting in a first-quarter pace of 14.5 million. Used vehicle sales rose 8 percent in March and 9 percent for the first quarter. Combined new and used sales totaled 10.4 million in the first quarter, up 11 percent from a year ago.

Several manufacturers felt that higher gas prices actually helped sales as customers were enticed by fuel-efficient offerings. As is the case in the new vehicle market, wholesale demand has seen an ongoing shift to compact and midsize cars. Crossovers with fuel-efficient powertrain options are also performing well. This trend is a reflection of higher gas prices and long-term demographic shifts in the profile of used vehicle buyers.

With a strengthening economy offsetting the dampening effect of higher gas prices, new and used vehicle retail demand remained strong in March.

Facts at a Glance

According to the National Highway Transportation Administration:

The most dangerous month to drive is August.

The most dangerous day to drive is Saturday.

Speeding is a factor in 30% of all fatal crashes.

18% of fatal crashes during the day are alcohol-related, while 54% of crashes at night are alcohol-related.

Two-thirds of the people killed at night are not wearing a seat belt.

Nationwide, 49% of fatal crashes happen at night, with a fatality rate per mile of travel about three times as high as daytime hours. Of people killed at night, roughly two-thirds aren't wearing restraints.

Tire Pressure Monitoring Systems Can Affect Your CSI Score

Tire Pressure Monitoring System or Tire Problem Making System?

BY GREG HORN

Originally published in ABRN Feb. 1, 2012

Technology has immersed itself in every facet of today's vehicles. The National Highway Traffic Safety Administration (NHTSA) requires automakers to include technology like the tire pressure monitoring system (TPMS) in vehicles, with a phase-in period from 2006 to 2008 on light passenger vehicles. This sounds good for consumers, but what does it mean for the collision repair industry?

A TPMS monitors air pressure inside pneumatic tires on various types of vehicles and reports the tire pressure information to the driver. There are two basic types of TPMS – direct and indirect.

Direct systems:

- Cope with temperature changes that influence tire pressure. Pressure ranges that trigger warnings are usually taken from the manufacturer's recommended cold inflation pressures.
- Employ actual pressure sensors inside each tire and a means of accumulating and transmitting that information to a vehicle's central computer.
- Use a radio frequency communication channel to transfer the data from a rotating wheel.
- Recognize under-inflation simultaneously in all four tires in any combination.

Indirect systems:

- Compare individual wheel rotational speeds provided by the vehicle's ABS to detect an under-inflated tire due to its marginally higher rotation speed.
- Do not use actual pressure sensors and are lower cost.
- Attractive to vehicle manufactures because of lower cost combined with the federally mandated ABS requirement for all ESC cars sold in the United States in the 2012 model year.
- Accuracy of this lower cost system has been questioned by several studies.

Over- or under-inflated tires can be a safety issue because they make vehicles harder to control in evasive maneuvers, such as sudden sharp turns or lane changes. Underinflated tires also waste gas and cause tires to wear prematurely. A recent NHTSA study shows that 57 percent of vehicles in the TPMS equipped control group had correct tire pressure, with the non-TPMS equipped control group at 43 percent.

For collision repairers, the relative fragility of the actual valve stem/monitor can be a major issue. Many OEMs supply a one-piece valve stem monitor that can leak and need to be replaced if it is inadvertently knocked around during a repair. Many TPMS valve stem monitors are VIN specific and may require special order, with an individual valve potentially costing about $85 or more — plus the time it takes to remove and re-mount the tire.

If a leak or TPMS warning light goes off just prior to vehicle delivery, you will scramble to have your sublet tire partner obtain and install the replacement part. Additionally, insurance adjusters may be hesitant to pay for a TPMS when they feel that no direct impact to the part is evident.

The impact of a bad sensor may be most felt on your CSI score. Let's say for example your technicians are washing a car for delivery and notice that the TPMS warning light is on. They may simply fill the tires until they see the light go off. The vehicle owner takes the car home and the next day, the warning light goes on because there is a slow leak. The owner may automatically assume that something occurred during the repair, likely resulting in a customer who is no longer wcompletely satisfied.

It is well worthwhile to check the system for proper operation upon vehicle intake and make the owner aware if the warning light is on. The owner may let you know that there are many false warnings with the system or it's been on since the accident, in which case you can add that to your appraisal. However, if the light goes off prior to delivery and the system was working properly at intake, a quick leak diagnosis is time well spent to keep your customer satisfied.

As more cars enter the vehicle population with TPMS systems – everyone from shop owners to technicians and estimators – must educate themselves on the technology to establish vehicle intake and delivery procedures that adequately address TPMS-equipped vehicles. Underinflated tires can affect your customer's satisfaction with the repair, so it's not a time to be penny wise and foot-pound foolish.

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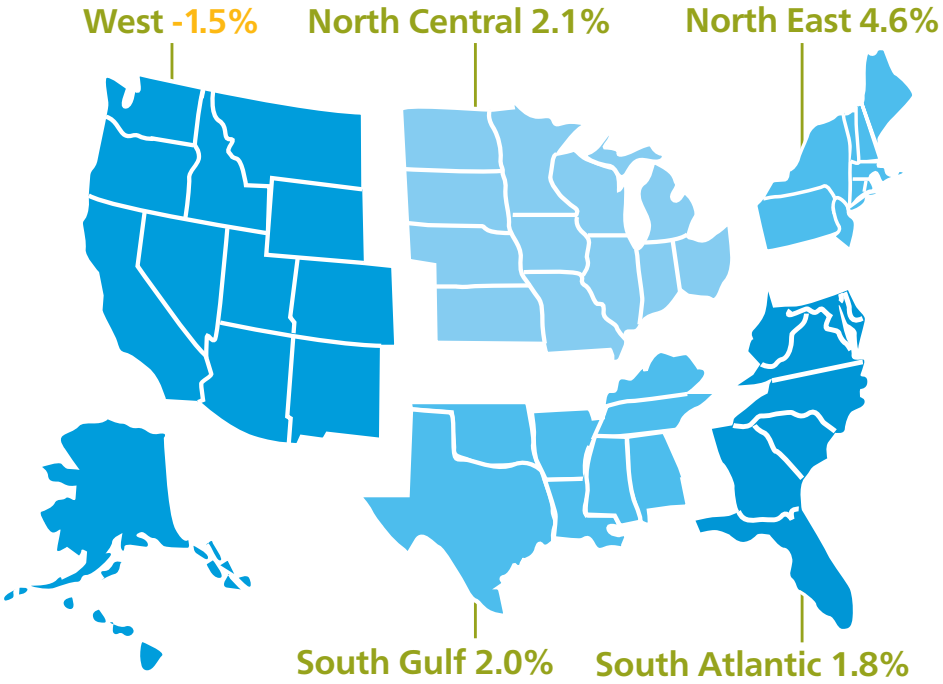
Miles Driven Continues Higher in January



Wednesday, March 28, 2012

Excerpted From CollisionWeek

Mild winter likely a big factor in two consecutive months of driving increases.

The total Vehicle Miles Traveled (VMT) in January 2012 rose 1.6 percent over the same month in 2011 making it the second consecutive month of year over year driving increases on the heels of nine consecutive months of declines.

The mild winter across much of the country is likely a strong factor in the January increase as evidenced by the whopping 4.6 percent increase in the Northeast region, which has been experiencing one of the mildest winters in years. The South Atlantic region, much less prone to harsh winter weather rose less than half that of the Northeast with a 1.8 percent gain, while the West declined by 1.5 percent.

According to the most recent data released by the Federal Highway Administration (FHA), drivers logged 224.8 billion VMT in January compared to 221.3 in January of 2011 making it the best January since 2009.

Looking at the chart comparing the prior recession recovery periods of 1973 and 1979, the current driving recession still remains 3.4 percent below the Nov 2007 driving peak, lower than the lowest levels reached in both prior events.

Even with two months of improvement, the recent nine month decline since February 2011 has been significant. So much so that last month we placed the event on our driving recession chart as its own recession (within a recession) for comparison purposes. The heavy black line shows the percentage decline since the recent February peak, currently down 2.27 percent, lower than the worst levels reached in the 1973 event.

In the most populated states, New York rose 2.8 percent over last January, while Pennsylvania rose 5.0

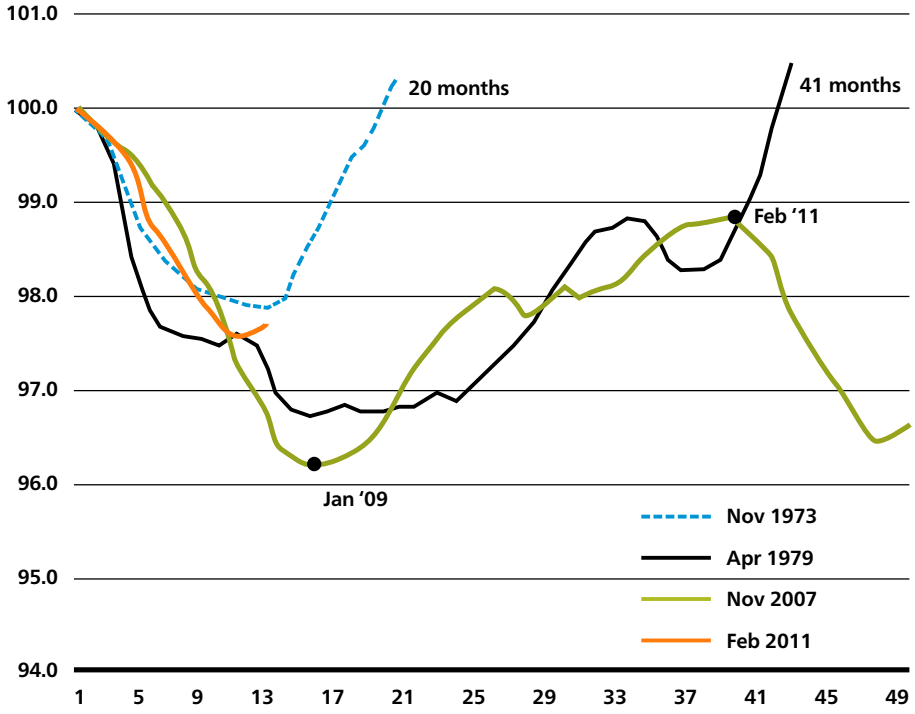
percent, both states aided by a noticeable lack of snowfall compared to last winter. Florida, where winter weather is not a factor, rose just 0.7 percent. Illinois drivers logged 0.7 percent less miles this January while Texas rose 1.7 percent and California declined 1.2 percent.

The mild winter in the Northeast continued right through the end of March and has been one of the warmest on record, so the effects of this snowless winter will likely be reflected in the upcoming driving reports. However, gasoline prices began rising recently.

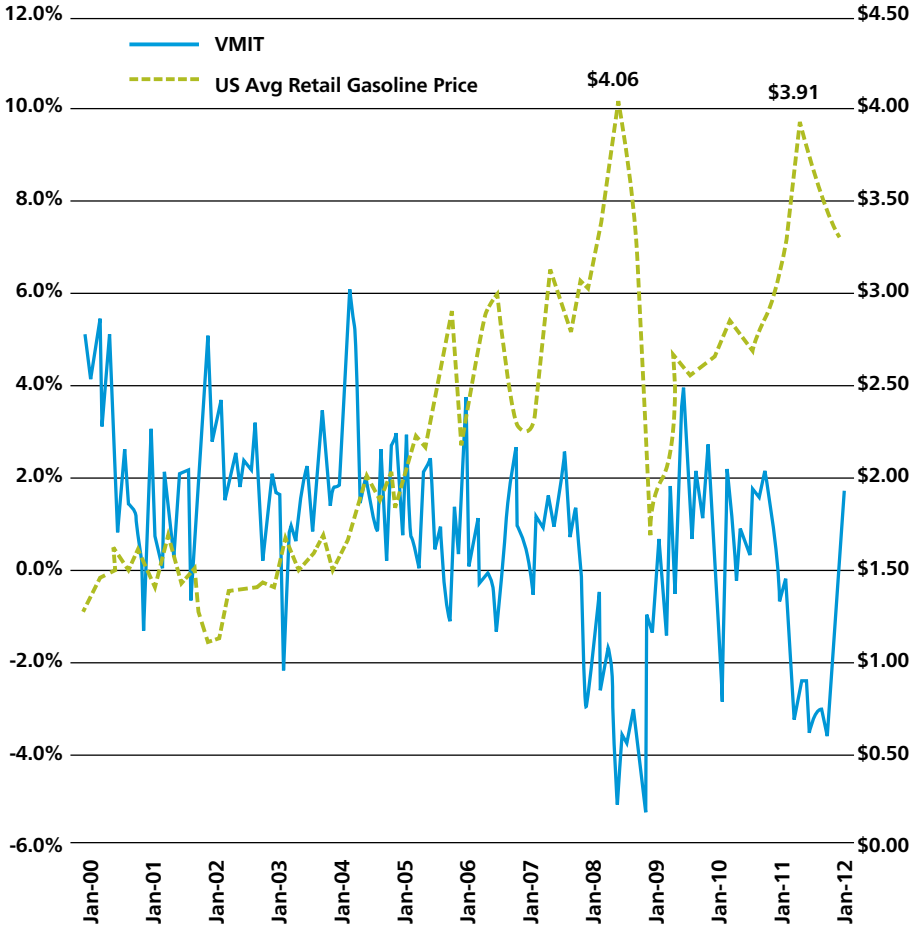
The rise in gasoline prices is likely to become a factor again as some analysts are predicting the national average price to top $4.00 per gallon this summer. The two most recent gasoline price spikes seen in the chart, $4.06 and $3.91, both corresponded with driving declines.

Gasoline prices peaked in May 2011 at an average of $3.91 per gallon but had continually eased each month through December, ending the year at an average price of $3.27 per gallon nationally. By February, prices had reached $3.58 per gallon and according to the AAA Fuel Gauge Report, one gallon of regular unleaded gasoline currently averages $3.91 per gallon as of Mar 28.

Comparison of Prior Driving Recessions



Gas Prices vs. Driving Increases



New Vehicle Sales

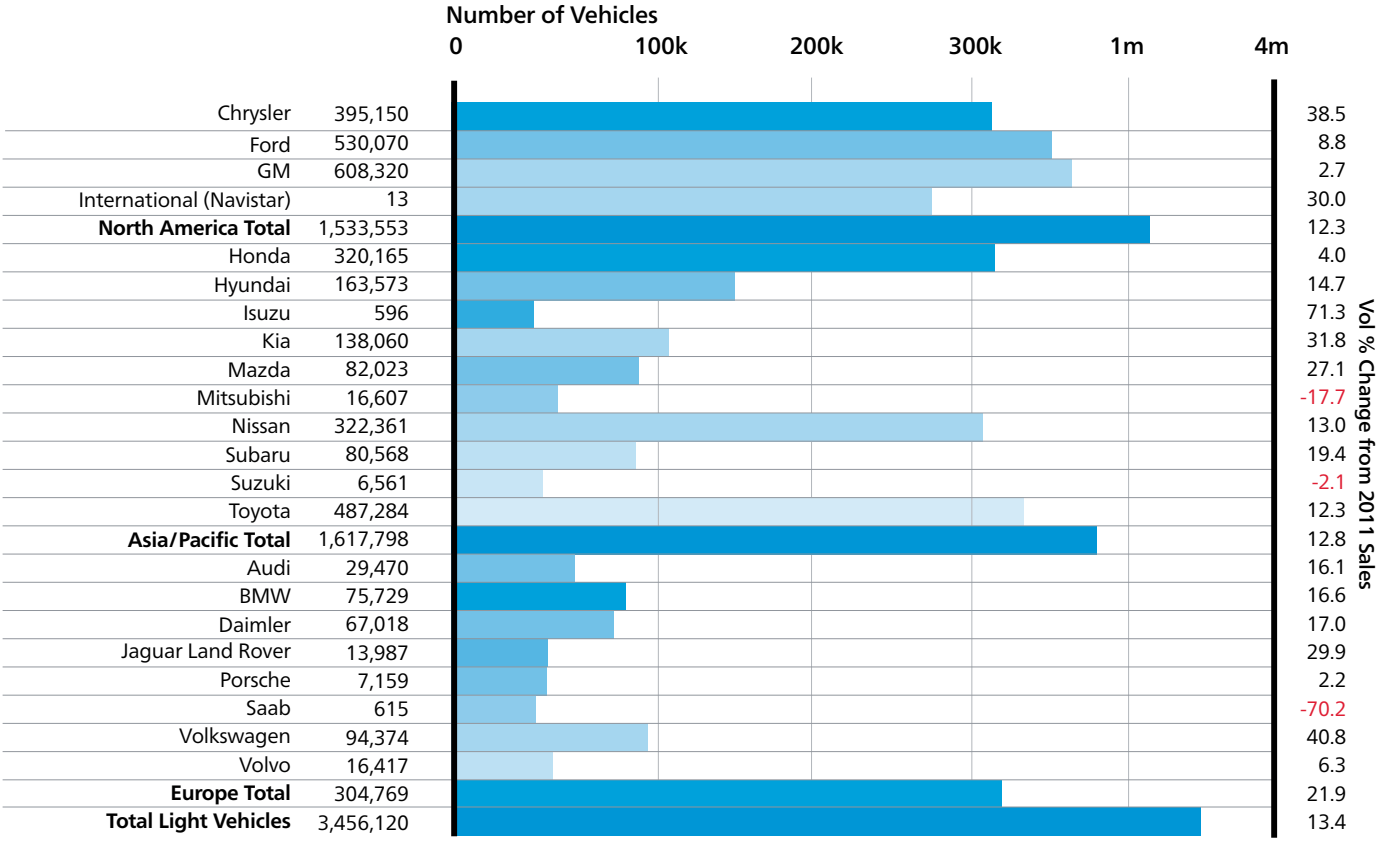
Ward's 10 Best Selling Cars and Trucks

January-March 2012*

Cars		Trucks/Vans/SUVs	
Camry	105,405	F-Series	143,827
Altima	96,360	Silverado	95,638
Civic	77,169	CR-V	74,587
Corolla/Matrix	68,428	Ram Pickup	67,464
Focus	66,043	Escape	58,604
Fusion	63,949	Equinox	51,577
Accord	61,132	Rogue	40,299
Malibu	58,550	RAV4	39,865
Cruze	57,083	Grand Cherokee	37,503
Prius	55,959	Sierra	34,672

Ward's U.S. Light Vehicle Sales by Company

January-March 2012



Chrysler	395,150	38.5
Ford	530,070	8.8
GM	608,320	2.7
International (Navistar)	13	30.0
North America Total	1,533,553	12.3
Honda	320,165	4.0
Hyundai	163,573	14.7
Isuzu	596	71.3
Kia	138,060	31.8
Mazda	82,023	27.1
Mitsubishi	16,607	-17.7
Nissan	322,361	13.0
Subaru	80,568	19.4
Suzuki	6,561	-2.1
Toyota	487,284	12.3
Asia/Pacific Total	1,617,798	12.8
Audi	29,470	16.1
BMW	75,729	16.6
Daimler	67,018	17.0
Jaguar Land Rover	13,987	29.9
Porsche	7,159	2.2
Saab	615	-70.2
Volkswagen	94,374	40.8
Volvo	16,417	6.3
Europe Total	304,769	21.9
Total Light Vehicles	3,456,120	13.4

*Light vehicles are cars and light trucks (GVW Classes 1-3, under 14,001 lbs.). DSR is daily sales rate. *Estimated for current month. Source: WardsAuto InfoBank*

Current Used Vehicle Market Conditions

March 2012 Kontos Kommentary

BY TOM KONTOS

Executive Vice President,
ADESA Analytical Services

The following commentary is produced monthly by Tom Kontos, Executive Vice-President, ADESA Analytical Services. ADESA is a leading provider of wholesale used vehicle auctions and ancillary remarketing services.

As part of the KAR Auction Services family, ADESA works in collaboration with its sister company, Insurance Auto Auctions, a leading salvage auto auction company, to provide insights, trends and highlights of the entire automotive auction industry.

Summary

In contrast to the mild year-over-year softening seen in January and February, wholesale used vehicle prices rose at a greater than seasonal pace in March, reflecting continued tight supply and strong retail demand. Average auction prices climbed above $10,000 for the first time since last June and more than matched last year's March/April spring tax season peak.

Details

According to ADESA Analytical Services' monthly analysis of Wholesale Used Vehicle Prices by Vehicle Model Class1, wholesale used vehicle prices in March averaged $10,612 – up 7.5% compared to February and up 0.6% versus March 2011. The impact of high gas prices was more subdued this month after wholesale prices adjusted to rising fuel prices more significantly in February (generally up for cars and down for trucks).

Manufacturers registered a 6.1% month-over-month price increase and an 18.8% year-over-year rise, reflecting continued tight supplies of late-model used vehicles. Fleet/lease consignors experienced a 7.5% sequential price increase and a 3.5% annual increase. Dealer consignors saw a 7.7% average price increase versus February and an 8.5% uptick versus March 2011.

Based on data from CNW Marketing/Research, retail used vehicle sales in March were up 5.4% year-over-year for franchised dealers but down 3.2% for independent dealers, possibly reflecting better used vehicle shopper traffic and sales at franchised dealerships as a complement to fairly strong new vehicle sales during the month. On a month-over-month basis, retail used vehicle sales were up by over a third for both groups. Certified used vehicle sales in March were at record levels -- up 16.8% versus February and up 7.7% versus the prior year -- according to Autodata.

Wholesale Used Vehicle Price Trends

	Average Prices ($/Unit)			Latest Month Versus	
	Mar-12	Nov-11	Dec-10	Prior Month	Prior Year
Total All Vehicles	**$10,612**	**$9,871**	**$10,550**	**7.5%**	**0.6%**
Total Cars	**$10,005**	**$9,156**	**$9,765**	**9.3%**	**2.5%**
Compact Car	$7,365	$6,954	$7,220	5.9%	2.0%
Midsize Car	$8,660	$7,884	$8,318	9.8%	4.1%
Fullsize Car	$6,248	$6,054	$6,849	3.2%	-8.8%
Luxury Car	$14,266	$13,265	$14,367	7.5%	-0.7%
Sporty Car	$14,121	$12,708	$13,282	11.1%	6.3%
Total Trucks	**$11,273**	**$10,667**	**$11,422**	**5.7%**	**-1.3%**
Mini Van	$7,790	$7,220	$8,258	7.9%	-5.7%
Fullsize Van	$9,994	$9,600	$9,246	4.1%	8.1%
Mini SUV	$10,910	$10,447	$11,166	4.4%	-2.3%
Midsize SUV	$10,430	$9,725	$10,575	7.2%	-1.4%
Fullsize SUV	$13,858	$12,596	$13,697	10.0%	1.2%
Luxury SUV	$19,364	$18,620	$20,320	4.0%	-4.7%
Compact Pickup	$7,715	$7,601	$7,391	1.5%	4.4%
Fullsize Pickup	$11,362	$11,158	$11,389	1.8%	-0.2%

Source: ADESA Analytical Services. February numbers revised.

The analysis is based on nearly six million annual sales transactions from over 170 of the largest U.S. wholesale auto auctions, including those of ADESA as well as other auction companies. ADESA Analytical Services segregates these transactions using the J.D. Power and Associates Vehicle Segmentation Guide to study trends by model class.

MITCHELL SOLUTION:

Mitchell Estimating™

Mitchell **Estimating** is an advanced estimating system, combining database accuracy, automated calculations, and repair procedure pages to produce estimates that are comprehensive, verifiable, and accepted throughout the collision industry. Mitchell Estimating is an integral part of Mitchell's appraisal workflow solutions: RepairCenter Estimating for repair shops and WorkCenter Appraisal for staff appraisers.

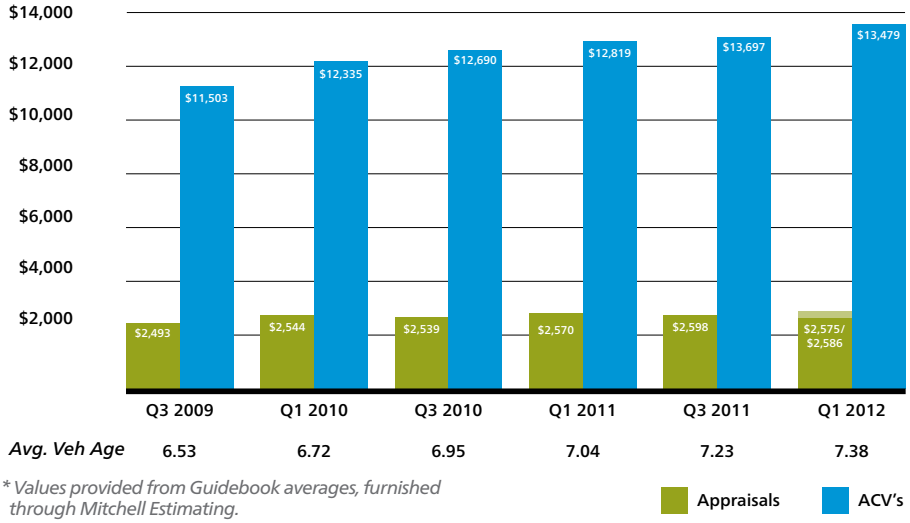
Visit Mitchell's website at www.mitchell.com

Average Appraisal Values

The initial average appraisal value, calculated by combining data from all first-and third-party repairable vehicle appraisals uploaded through Mitchell systems in Q1 2012, was $2,575, which is $5 higher than the previous year's Q1 2011 appraisal average of $2,570.

Applying the prescribed development factor of 4.1% to these data produces an anticipated average appraisal value of $2,586. Also of note is that the average actual cash value (ACV) of the vehicles being appraised decreased again, showing the impact of comprehensive and third-party losses on average ACVs, as Collision ACVs where higher than in Q1 2011.

Average Appraisal Values, ACVs and Age | All APD Line Coverages*



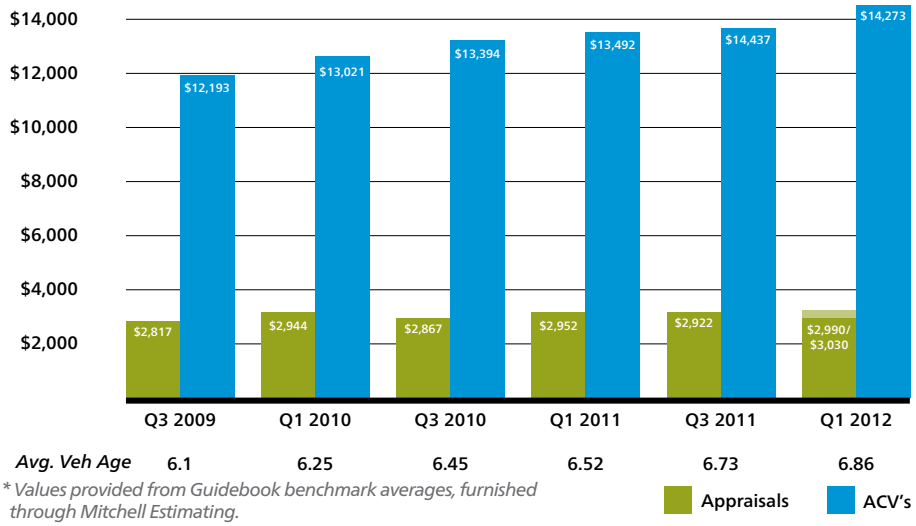
** Values provided from Guidebook averages, furnished through Mitchell Estimating.*

Collision Losses

Mitchell's Q1 2012 data reflect an initial average gross collision appraisal value of $2,990, which is $38 more than this same period last year. However, applying the indicated development factor suggests that a final Q1 2012 average gross collision appraisal value will be $3,030, –which breaks the $3,000 mark and signifies the highest average paid in the quarters shown.

The average actual cash value (ACV) of vehicles appraised for collision losses during Q1 2012 was $14,273; an increase of $781 over the same period last year.

Average Appraisal Values, ACVs and Age | Collision Coverage*

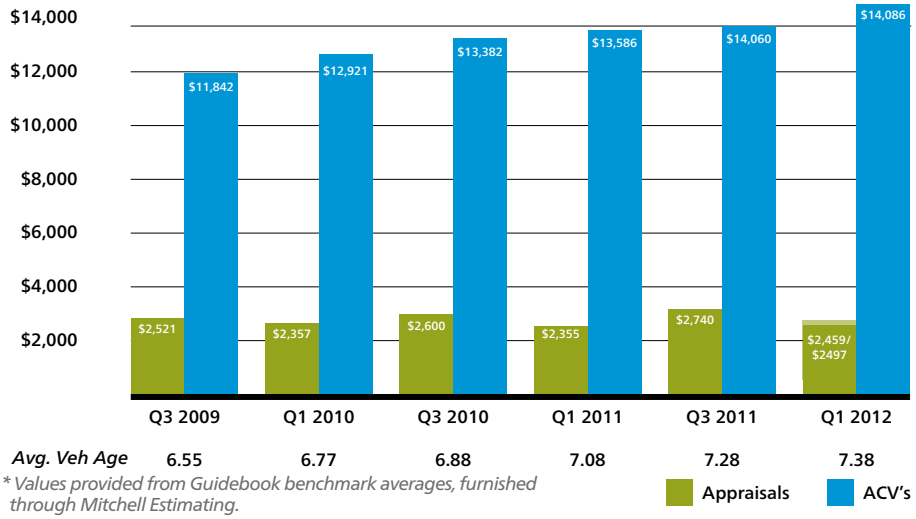


** Values provided from Guidebook benchmark averages, furnished through Mitchell Estimating.*

Comprehensive Losses

In Q1 2012, the average gross appraisal value for comprehensive coverage estimates processed through our servers was $2,459; compared to $2,355 in Q1 2012. Applying the prescribed development factor of 1.5% for this data set only produces an increase in the adjusted value to $2,497.

Average Appraisal Values, ACVs and Age | Comprehensive Losses*



** Values provided from Guidebook benchmark averages, furnished through Mitchell Estimating.*

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Auto Casualty Solutions
Edition

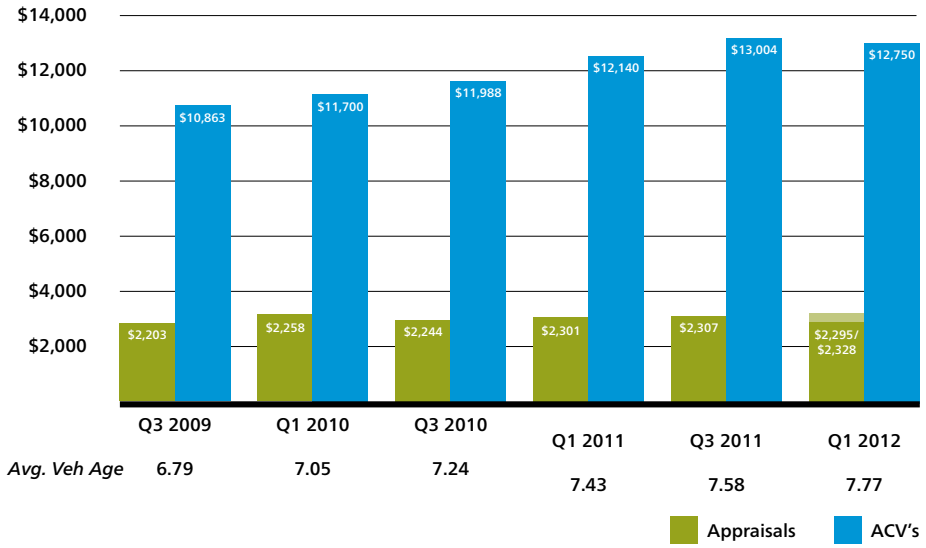
EDITOR'S NOTE

It generally takes at least three months from the original date of appraisal to accumulate most supplements against an original estimate of repair. For this reason, we report (and recommend viewing supplement information) three months after-the-fact to obtain the most accurate view of these data.

Third-Party Auto Property Damage

In Q1 2012, our initial average gross third-party property damage appraisal was $2,295 compared to $2,301 in Q1 2011, reflecting a $6 initial decrease between these respective periods. Adding the prescribed development factor of 1.45% for this coverage type yields a Q1 2012 adjusted appraisal value of $2,328, which is a $27 increase in average severity over Q1 2011.

Average Appraisal Values, ACVs and Age | Collision Coverage*



Values provided from Guidebook benchmark averages, furnished through Mitchell Estimating.

Supplements

During Q1 2012, 27.31% of all original estimates prepared by Mitchell-equipped estimators were supplemented one or more times. In this same period, the pure supplement frequency (supplements to estimates) was 55.06%, reflecting a 3.78 point, or 7% relative increase from that same period in 2011. The average combined supplement variance for this quarter was $604.49, which is $69.51 lower than in Q1 2011.

Average Supplement Frequency and Severity

Date	Q3/09	Q1/10	Q3/10	Q1/11	Q3/11	Q1/12	Pt. Change	% Change
% Est. Supplement	32.25	35.06	32.91	35.66	32.33	27.31	-8.35	-23%
% Supplement	44.65	55.55	46.23	51.28	46.80	55.06	3.78	7%
Avg. Combined Supp. Variance	638.09	664.95	671.81	674.00	706.40	604.49	-69.51	-10%
% Supplement $	25.59	26.14	26.46	26.23	27.19	23.48	-2.75	-10%

Average Appraisal Make-Up

This chart, constructed by Mitchell-equipped estimators, compares the average appraisal make-up as a percentage of dollars. These data points reflect a 'trade off,' with parts down by 1% and labor increasing by 1%, while the percentage of paint material used in the average appraisal have increased 2% between these respective periods.

% Average Appraisal Dollars by Type

Date	Q3/09	Q1/10	Q3/10	Q1/11	Q3/11	Q1/12	Pt/$ Change	% Change
% Average Part $	41.93	44.38	41.80	44.46	41.78	44.14	-0.32	-1%
% Average Labor $	46.62	44.08	46.81	43.96	46.85	44.26	0.3	1%
% Paint Material $	10.50	10.40	10.53	10.48	10.69	10.67	0.19	2%

Parts Analysis

As a general observation, recent data show that parts make up 45% of the average value per repairable vehicle appraisal, which is about 0.6 points more than the average allocation of labor dollars. In addition, the current trend reflects a continued decrease in the use of new OEM parts. This is likely a result of the increases in collision parts taken by the manufacturers to offset increased delivery and storage expenses.

Parts Type Definitions

Original Equipment Manufacturer (OEM)

Parts produced directly by the vehicle manufacturer or its authorized supplier, and delivered through the manufacturer's designated and approved supply channels. This category covers all automotive parts, including sheet metal and mechanical parts.

Aftermarket

Parts produced and/or supplied by firms other than the original equipment manufacturer's designated supply channel. This may also include those parts originally manufactured by endorsed OEM suppliers, which have later followed alternative distribution and sales processes. While this part category is often only associated with crash replacement parts, the automotive aftermarket also includes a large variety of mechanical and custom parts as well.

Non-New/Remanufactured

Parts removed from an existing vehicle that are cleaned, inspected, repaired and/or rebuilt, usually back to the original equipment manufacturer's specifications, and re-marketed through either the OEM or alternative supply chains. While commonly associated with mechanical hard parts such as alternators, starters and engines, remanufactured parts may also include select crash parts such as urethane and TPO bumpers, radiators and wheels.

Recycled

Parts removed from a salvaged vehicle and re-marketed through private or consolidated auto parts recyclers. This category commonly includes all types of parts and assemblies, especially body, interior and mechanical parts.

EDITOR'S NOTE

There is no perfect correlation between the types of parts specified by estimators and what is actually used for repairs. However, we think that the following observations are directionally accurate for both the insurance and auto body repair industries. This segment sheds light on the percentage of dollars allocated to each unique part type.

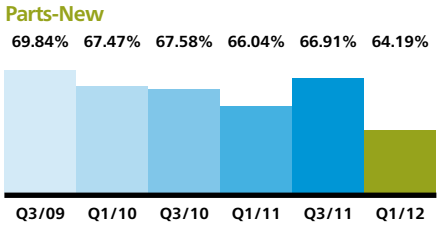
Mitchell Collision Repair Industry Data

EDITOR'S NOTE

It is common knowledge in the collision repair and insurance industries that a very large number of recycled parts are really parts assemblies: for example, doors, which actually include several attached parts and pieces. Trying to make discrete comparisons between the average number of recycled parts and any other parts types used per estimate can be both difficult and inaccurate.

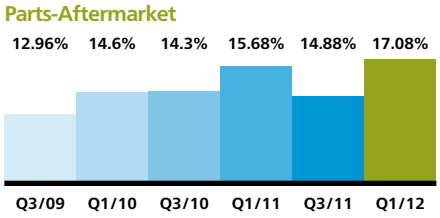
Original Equipment Manufacturer (OEM) Parts Use in Dollars

In Q1 2012, OEM parts represented only 64.19% of all parts dollars specified by Mitchell-equipped estimators. These data reflect a 1.85 point relative decrease from Q1 2011, despite many OEMs increasing their parts price-matching programs.



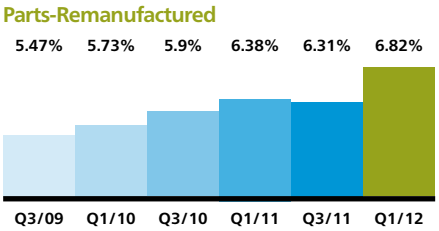
Aftermarket Parts Use in Dollars

In Q1 2012, 17.08% of all parts dollars recorded on Mitchell appraisals were attributed to aftermarket sources, up 1.4 points from Q1 2011, reflecting a big increase over previous quarters.



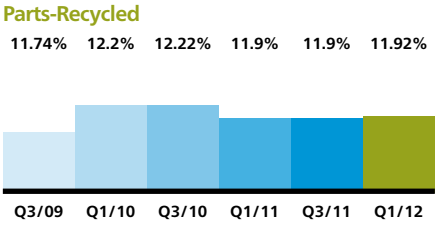
Remanufactured Parts Use in Dollars

Currently listed as "Non-New" parts in our estimating platform and reporting products, remanufactured parts currently represent 6.82% of the average gross parts dollars used in Mitchell appraisals during Q1 2012. This reflects a 0.44 point relative increase over this same period in 2011.



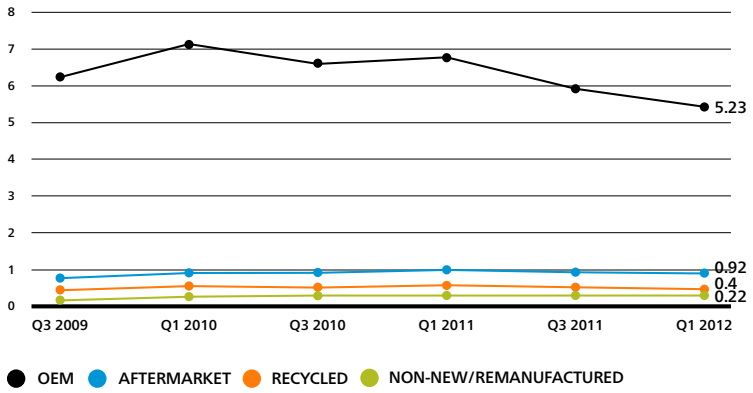
Recycled Parts Use in Dollars

Recycled parts constituted 11.92% of the average parts dollars used per appraisal during Q1 2012, reflecting virtually no change from the two previous quarters measured.



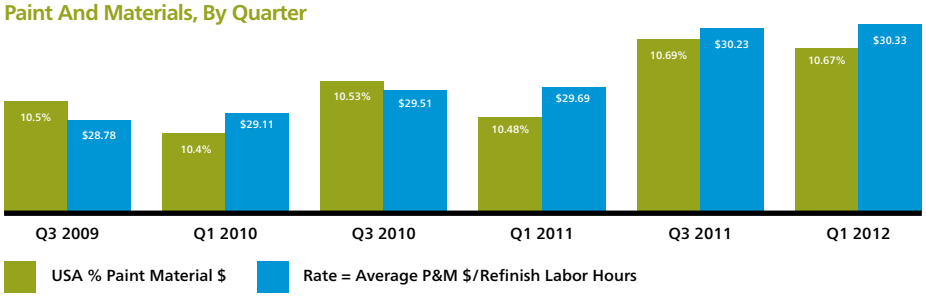
The Number of Parts by Part Type

To capture another aspect of parts use, we calculate the number of parts used by part type on a repairable estimate. For Q1 2012, New OEM parts use decreased again, as did all other part types, when compared to Q1 2011. This signals an increase in the repair vs. replacement of parts.



Paint and Materials

During Q1 2012, paint and materials made up nearly 10.67% of our average appraisal value, representing a 0.19-point relative increase from Q1 2011. Represented differently, the average paint and materials rate—achieved by dividing the average paint and materials allowance per estimate by the average estimate refinish hours—yielded a rate of $30.33 per refinish hour in this period, compared to $29.69 in Q1 2011.



MITCHELL SOLUTION:

Mitchell RMC™

Mitchell **RMC (Refinishing Materials Calculator)** provides accurate calculations for refinishing materials costs by incorporating a database of over 8,500 paint codes from eight paint manufacturers. It provides job-specific materials costing according to color and type of paint, plus access to the only automated, accurate, field-tested, and industry-accepted breakdown of actual costs of primers, colors, clear coats, additives, and other materials needed to restore vehicles to pre-accident condition.

For more information on RMC, visit Mitchell's website at www.mitchell.com.

MITCHELL SOLUTION:

Mitchell MAPP™

Mitchell **MAPP (Mitchell Alternate Parts Program)** provides access to nearly 100 part types from over 2,000 suppliers—helping to ensure that you get the exact parts you want from your preferred vendors.

With MAPP, you have total control over your alternate parts selection, saving you time spent making phone calls, looking up parts in catalogs, and manually adding lines to your estimate.

Once you select your preferred vendors and the part types you want from them, MAPP automatically searches for your alternate parts and adds them to your estimate.

For more information on MAPP, visit Mitchell's website at www.mitchell.com.

Adjustments

In Q1 2011, the percentage of adjustments made to estimates decreased by 4%. The frequency of betterment taken decreased by 3%, while the average dollar amount of the betterment taken increased by 8% to $115.86. Appearance allowance frequency decreased by 7%, with the dollar amount of that appearance allowance decreasing to $178.03.

Adjustment $ and %'S

Date	Q3/09	Q1/10	Q3/10	Q1/11	Q3/11	Q1/12	Pt/$ Change	% Change
% Adjustments Est	3.67	3.56	3.68	3.6	3.47	3.45	-0.15	-4%
% Betterment Est	2.79	2.72	2.84	2.87	2.76	2.77	-0.1	-3%
% Appear Allow Est	0.61	0.61	0.61	0.56	0.52	0.52	-0.04	-7%
% Prior Damage Est	5.21	5.26	3.83	3.15	3.07	2.83	-0.32	-10%
Avg. Betterment $	124.13	118.66	133.60	125.82	137.50	115.86	-9.96	-8%
Avg. Appear Allow $	194.95	189.29	204.98	190.86	194.69	178.03	-12.83	-7%

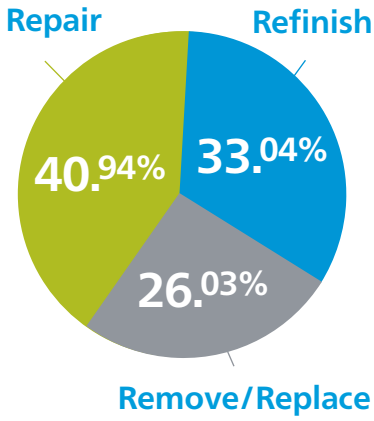
Labor Analysis

For 2012 year to date, the average body labor rates have risen in only a few states compared to Q1 2011.

Average Body Labor Rates and Change by State

	Q1/10	Q1/11	$ Change	% Change
Arizona	$48.19	$48.12	$-0.07	0%
California	$49.82	$50.11	$0.29	1%
Florida	$41.42	$41.48	$0.06	0%
Hawaii	$43.77	$43.83	$0.06	0%
Illinois	$47.30	$47.53	$0.23	0%
Michigan	$41.97	$42.08	$0.11	0%
New Jersey	$44.22	$44.50	$0.28	1%
New York	$45.93	$45.83	$-0.1	0%
Ohio	$42.79	$43.18	$0.39	1%
Rhode Island	$44.77	$44.74	$-0.03	0%
Texas	$42.05	$42.05	$0	0%

Percent of average labor hours by type



Total Loss

Average Vehicle Age in Years

The chart below illustrates the total loss data for both vehicle age and actual cash value of total loss vehicles processed through Mitchell servers. We are again seeing a softening of values for vehicles that are less fuel efficient.

Vehicles	Q3/09	Q1/10	Q3/10	Q1/11	Q3/11	Q1/12
	Average Vehicle Age					
Convertible	10.77	10.29	10.99	11.03	11.72	11.38
Coupe	10.71	10.69	11.06	10.99	11.48	11.47
Hatchback	9.83	9.54	9.66	9.37	9.52	9.22
Sedan	9.69	9.82	10.02	9.95	10.33	10.3
Wagon	8.59	8.6	8.73	8.8	8.91	9.1
Other Passenger	11.4	10.64	11.64	10.85	12	11.01
Pickup	10.51	10.65	11.19	11.01	11.39	11.33
Van	10	10.2	10.49	10.41	10.77	10.88
SUV	8.8	9.16	9.36	9.49	9.66	9.89

Average Vehicle Total Loss Actual Cash Value

Vehicles	Q3/09	Q1/10	Q3/10	Q1/11	Q3/11	Q1/12
	Average Actual Cash Value					
Convertible	$9,055.25	$9,748.87	$9,300.77	$9,762.15	$10,361.42	$10,258.37
Coupe	$5,852.99	$6,229.73	$6,285.75	$6,384.64	$6,873.49	$6,812.97
Hatchback	$5,952.06	$6,464.55	$6,500.82	$6,764.07	$7,482.89	$7,733.60
Sedan	$5,979.02	$6,306.39	$6,439.08	$6,538.71	$7,047.49	$6,976.73
Wagon	$6,964.85	$7,226.39	$7,445.75	$7,277.93	$8,050.55	$7,811.96
Other Passenger	$12,707.58	$15,931.98	$14,924.15	$15,574.72	$13,237.82	$16,093.77
Pickup	$8,216.10	$9,198.22	$8,964.99	$9,711.52	$9,543.80	$9,692.13
Van	$4,981.87	$5,471.17	$5,563.32	$5,578.23	$5,835.44	$5,665.21
SUV	$8,125.52	$8,806.50	$9,109.67	$9,010.37	$9,439.12	$9,138.73

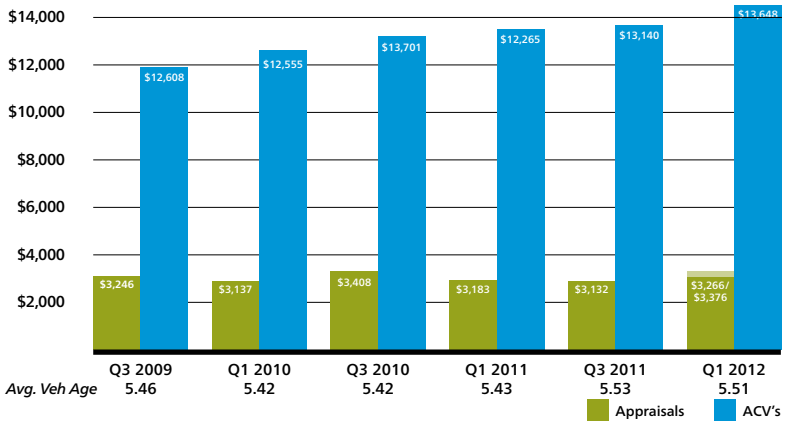
Canadian Collision Summary

In response to requests from our customers and friends in Canada, we are pleased to provide the following statistics, observations, and trends specific to the Canadian market. **All dollar-figures in this section are in CDN$.** Please note that these data are the product of upload activities from independent appraisers and body shop and insurance personnel. This more accurately depicts insurance-paid loss activity, rather than consumer-direct or retail market pricing.

Canada Appraisal Severity

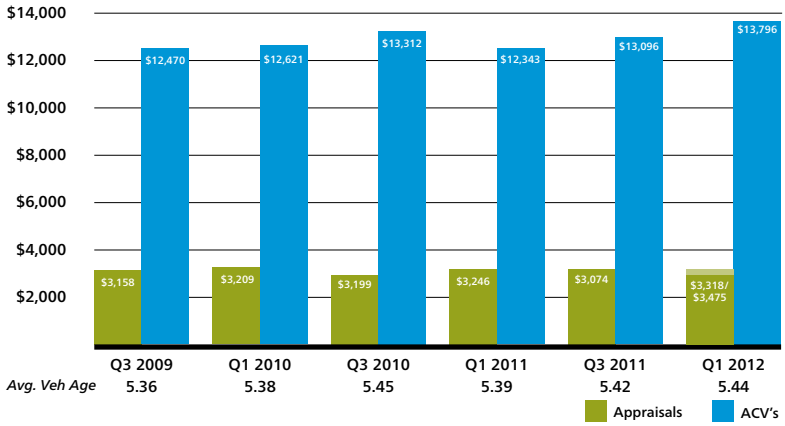
Average Appraisal Values Severity Overall

The average gross initial appraisal value, calculated by combining data from all first- and third- party repairable vehicle appraisals uploaded through Mitchell Canadian systems in Q1 2012, was $3,266, which is an $83.00 increase from Q1 2011. Applying the prescribed development factor yields a healthy increase to $3,376, up $193 from Q1 2011.



Collision Losses

The average initial gross collision appraisal value uploaded through Mitchell Canadian systems in Q1 2012 was $3,318, which is a $72.00 increase from Q1 2011. However, applying the prescribed development factor of 4.7% yields an anticipated final average appraisal value of $3,475, which is a $229 increase from Q1 2011.



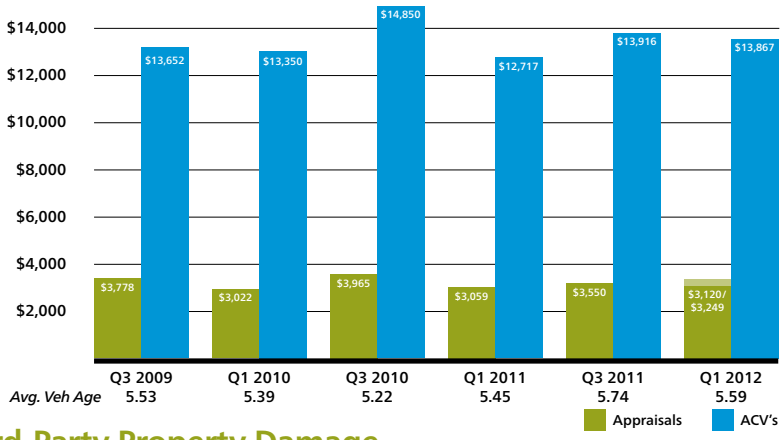
Average Appraisal Make-Up

This chart compares the average appraisal make up as a percentage of dollars. These data points reflect a .05 point increase in paint and materials and a trade off between labour and parts.

Date	Q3/09	Q1/10	Q3/10	Q1/11	Q3/11	Q1/12	Pt/$ Change	% Change
% Average Part $	39.54	44.03	34.52	44.26	38.74	43.43	-0.83	-2%
% Average Labor $	48.07	44.31	54.68	44.06	49.15	45.07	1.01	2%
% Paint Material $	8.74	8.78	8.56	8.78	9.15	8.73	-0.05	-1%

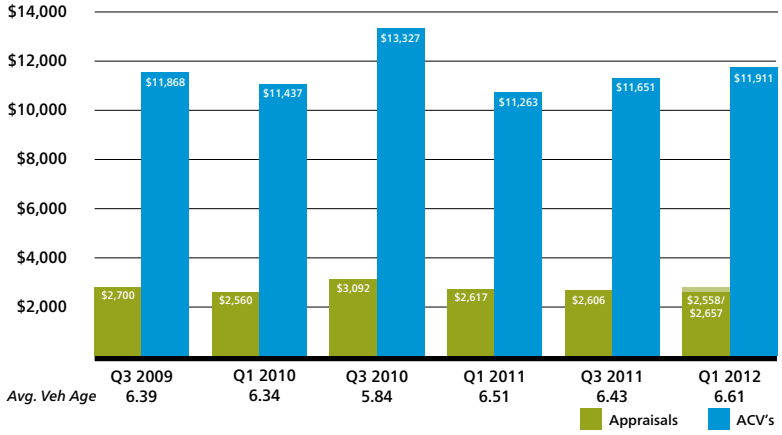
Comprehensive Losses

In Q1 2012, the average initial gross Canadian appraisal value for comprehensive coverage estimates processed through our servers was $3,120, which is $61 higher than in Q1 2011. After applying the prescribed development factor of 4.1%, the anticipated final average appraisal value will be $3,249.



Third-Party Property Damage

In Q1 2012, our Canadian industry initial average gross third-party property damage appraisal was $2,558, which is a decrease of $534 from Q1 2011 on vehicles that were older but higher-valued. After applying the prescribed development factor, we arrive at a final value of $2,657.



Supplements

In Q1 2012, 40.58% of all original estimates prepared by Mitchell-equipped Canadian estimators were supplemented one or more times. In this same period, the pure supplement frequency (supplements to estimates) was 63.077%. This reflects a significant increase from the first quarter of 2011. The average combined supplement variance for this quarter was $410.56, which is $122.20 lower than in Q1 2011.

Date	Q3/09	Q1/10	Q3/10	Q1/11	Q3/11	Q1/12	Pt/$ Change	% Change
% Est Supplements	39.69	44.51	41.85	47.63	44.04	40.58	-7.05	-15%
% Supplements	38.78	105.63	49.98	48.87	62.95	63.07	14.2	29%
Avg Combined Supp Variance	416.20	474.61	562.66	532.76	477.03	410.56	-122.2	-23%
% Supplement $	12.82	15.13	16.51	16.74	15.23	12.57	-4.17	-25%

About Mitchell in Canada…

For more than 20 years, Mitchell's dedicated Canadian operations have focused specifically and entirely on the unique needs of collision repairers and insurers operating in the Canadian marketplace. Our Canadian team is known for making itself readily available, for being flexible in its approach to improving claims and repair processes, and for its 'second to none' commitment to customer support. Headquartered in Toronto, with offices across Canada, Mitchell Canada delivers state-of-the-art, multi-lingual collision estimating and claims workflow solutions (including hardware, networks, training, and more), world-class service, and localized support.

To learn more about Mitchell Canada and its solutions and services, contact:

MIKE JERRY

Vice President and General Manager–**Mitchell Canada**

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Adjustments

In Q1 2012, the average frequency betterment taken on estimates increased by 11%. The dollar amount of that betterment decreased by 11%. Appearance allowances decreased slightly by 13%. The dollar amount of those allowances increased by 1%.

Date	Q3/09	Q1/10	Q3/10	Q1/11	Q3/11	Q1/12	Pt/$ Change	% Change
% Adjustments Est	3.81	2.69	3.12	2.37	2.99	2.47	0.1	4%
% Betterment Est	3.25	2.21	2.63	2	2.44	2.21	0.21	11%
% Appear Allow Est	0.53	0.43	0.46	0.31	0.49	0.27	-0.04	-13%
% Prior Damage Est	0.16	0.16	0.11	0.2	0.13	0.05	-0.15	-75%
Avg. Betterment $	204.22	203.33	210.36	194.76	233.52	172.48	-22.28	-11%
Avg. Appear Allow $	205.64	194.93	261.06	189.25	202.07	190.43	1.18	1%

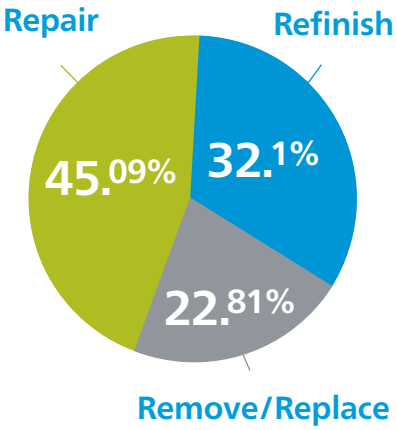
Labour Analysis

All data reflect the percentage of labour dollars utilized in the creation of Mitchell appraisals by Canadianestimators. Labour rates increased in most provinces and territories.

Average Body Labour Rates and Change By State

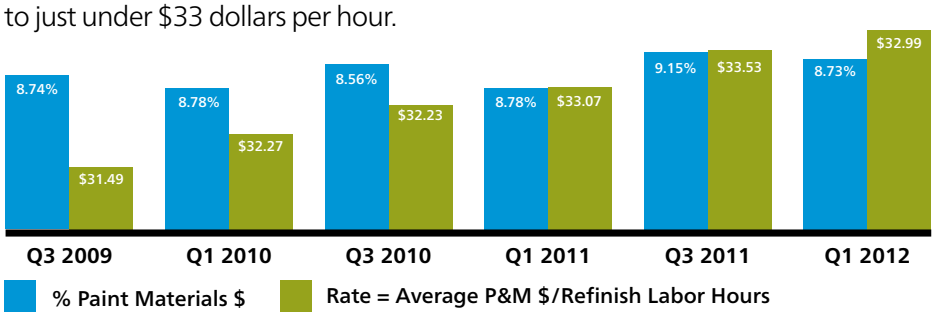
	2011 (Full Year)	2012 (Year to Date)	$ Change	% Change
Alberta	69.76	71.29	$1.53	2%
British Columbia	66.13	70.23	$4.10	6%
Newfoundland & Labrador	58.34	58.45	$0.11	0%
Nova Scotia	56.34	57.17	$0.83	1%
Northwest Territories	80.02	81.24	$1.22	2%
Ontario	53.84	54.25	$0.41	1%
Quebec	47.12	47.72	$0.60	1%
Saskatchewan	66.75	73.06	$6.31	9%
Yukon Territory	83.13	85.06	$1.93	2%

Canadian Labour Operations



Paint and Materials

During Q1 2012, paint and materials made up 8.73% of our average appraisal value. Represented differently, the average paint and materials hourly rate rose to just under $33 dollars per hour.



Canada Number of Parts per Repairable Estimate

We are seeing very slight movement in the number of parts used on Canadian repairable estimates, with new and recycled parts slightly down.

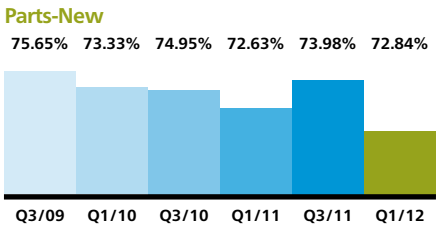
Date	Q3/09	Q1/10	Q3/10	Q1/11	Q3/11	Q1/12
Parts - Aftermarket	1.11	1.3	1.23	1.37	1.19	1.38
Parts - RECYCLED	0.7	0.73	0.68	0.71	0.61	0.65
Parts - Non-New	0.16	0.17	0.16	0.16	0.14	0.14
Parts - New	6.72	7.18	6.61	7.07	6.15	6.98

Canada Parts Utilization

All data reflect the percentage of parts-type dollars utilized in the construction of Mitchell appraisals by Canadian estimators.

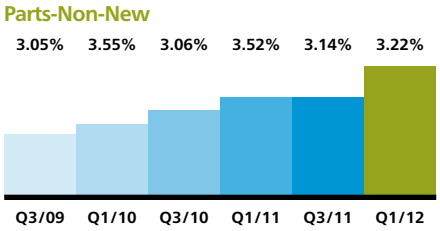
Original Equipment Manufacturer (OEM) Parts Use in Dollars

In Q1 2012, Canadian OEM parts use decreased appreciably compared to Q12010, and is similar to the trend in the U.S. on new OEM parts use.



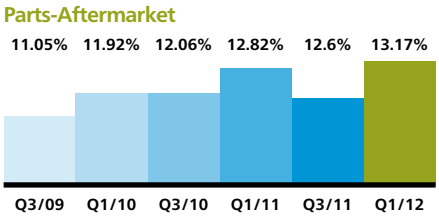
Remanufactured Parts Use in Dollars

Remanufactured parts use in Canada was 3.22% for Q1 2012, compared to 3.52% in Q1 2011. This is the lowest first quarter showing in quite a while.



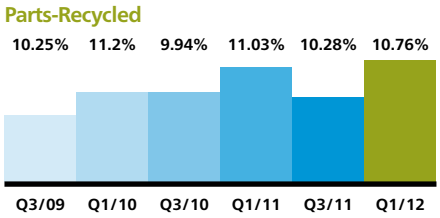
Aftermarket Parts Use in Dollars

Aftermarket parts use in Canada rose very slightly in Q1 2012, topping 13%.



Recycled Parts Use in Dollars

Recycled parts use in Canada has decreased since the same period last year, showing a fluctuation of fewer than two points for the last few quarters.



About Mitchell

Mitchell San Diego Headquarters

6220 Greenwich Dr.
San Diego, CA 92122

Mitchell, founded in 1946 and headquartered in San Diego, California, is a leading provider of technology, connectivity and information solutions to the Property & Casualty Claims and Collision Repair industries. The company's comprehensive solution portfolio streamlines the entire auto physical damage, bodily injury and workers' compensation claims processes. Mitchell processes over 50 million transactions annually for over 300 insurance companies/claims payers and over 30,000 collision repair facilities throughout North America to enhance partner productivity, profitability, and customer satisfaction.

From the moment policyholders notify their insurance companies of a vehicle claim, Mitchell's robust solutions take action, transforming the entire claims and repair cycle into a streamlined, end-to-end process using intuitive tools, data-driven software and shared workspaces that deliver a much improved and efficient experience. From initial damage appraisal to helping collision repairers safely and efficiently return vehicles to pre-accident condition, insurers and collision repair businesses depend on Mitchell to deliver cost savings to their organizations and pleasant and timely claims settlement to their customers.

Mitchell also has a 20-year track record of delivering solutions to help Auto Insurance Carriers and Workers' Compensation Claims Payers evaluate and settle their medical claims faster and more accurately. With an unmatched breadth of medical data and decision support experience, Mitchell offers a variety of technology, database, and service solutions that enable its clients to control costs and improve consistency throughout the claims process.

Mitchell is a privately-held company, owned primarily by the Aurora Capital Group. Aurora Capital is a Los Angeles-based investment firm formed in 1991 that acquires and builds companies in partnership with operating management. The firm currently manages approximately $2 billion in capital and is committed to investing in companies with unique, defensible market positions. Aurora is dedicated to generating long-term value principally through investing the time and resources necessary to enhance the fundamentals of each of its businesses.

For more information on Mitchell, visit www.mitchell.com.

For more information on Aurora Capital, please visit its website: www.auroracap.com.

Mitchell Creates Partner Bridge with Universal SmartComp

Mitchell Workers' Compensation Solutions adds leading physical medicine claims management program to medical bill review platform to contain costs and improve patient outcomes.

San Diego, CA—March 26, 2012
Mitchell, a leading provider of technology, connectivity and information solutions to the Property & Casualty claims and Collision Repair industries, today announced that the SmartAdvisor™ Partner Bridge is now available throughout Universal SmartComp's physical medicine network. SmartComp is a leading national physical medicine services company in the workers' compensation industry. Mitchell Workers' Compensation Solutions' SmartAdvisor Partner Bridge gives medical bill review organizations the power to conduct instant network contract repricing and enhanced savings audits. The SmartAdvisor-SmartComp Partner Bridge empowersinsurance payers to substantially contain costs and improve patient outcomes by leveraging the operational efficiencies available from the Mitchell SmartAdvisor medical bill review platform.

"Mitchell Workers' Compensation Solutions welcomes SmartComp to the SmartAdvisor medical bill review platform, which partners with best-of-breed healthcare technology innovators to optimize claims processing solutions", said Nina Smith-Garmon, Senior Vice President and General Manager of the Mitchell Workers' Compensation Solutions Division. "SmartComp is as committed as we are to streamlining medical claims operations and improving cost containment for insurance payers and others in the workers' compensation marketplace."

"SmartComp looks forward to helping Mitchell SmartAdvisor clients contain physical medicine claim costs," said Ken Hannigan, President and Chief Operating Officer, Universal SmartComp. "We share a common vision of reducing workers' compensation medical costs with technology solutions—proprietary treatment benchmarks, quality providers and a pricing model specific to physical medicine—proven to reduce over-utilization, treatment duration and to expedite employees' return to work."

The SmartAdvisor Partner Bridge gives medical bill review organizations the power to conduct efficient contract repricing and enhanced savings audits. Bill review turnaround time is reduced, giving payers visibility into performance and process benchmarks using only the most current, accurate provider contracts and repricing data. Built on standard XML file formats, the Partner Bridge enables users to obtain the latest repricing data from networks, negotiation partners, specialty reviewers and other specialty services.

SmartAdvisor is a comprehensive bill review solution for workers' compensation that contains a unique combination of performance software, client services and best-in-class partnerships. SmartAdvisor's distinctive capabilities include customizable workflow modeling, a robust business decision rules engine, data analytics and reporting tools, Claims Examiner Portal for fast, secured, real-time access to bill data and a proven technologyplatform that delivers on average 50-70% straight-through processing for improved efficiencies and lower costs. Visit www.mitchell.com/smartadvisor for more information or contact 1-800-421-6705 to schedule a demo of the SmartAdvisor bill review system.

About SmartComp

Established in 2000 in Washington, PA, SmartComp, LLC is a leading national physical medicine services company in the workers compensation industry with network locations in all 50 states. SmartComp offers a true clinical solution to its' clients that has helped reduce its client's over-utilization, shorten the duration of care and decrease overall costs associated with physical medicine services. SmartComp has accomplished this by utilizing peer to peer communications, proprietary treatment benchmarks and a pricing model specific to physical medicine.
For more information please visit www.universalsmartcomp.com or call 877-362-3391.

About Mitchell

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About Mitchell Workers' Compensation Solutions Division

Mitchell Workers' Compensation Solutions (WCS), a division of Mitchell, is a market leading provider of workers' compensation cost containment technologies and services. Insurance payers and other clients rely on Mitchell WCS's best-of-breed medical bill review platform, the SmartAdvisor Software Suite, to improve their medical cost savings results. For more information, please visit www.mitchell.com/workerscomp.

Mitchell 2012 Property & Casualty Conference Concludes

Premier P&C industry event highlighted best practices and technology innovations to accelerate claims management, mitigate fraud, and maximize policyholders' claim experience.

San Diego, CA—March 26, 2012
Mitchell, a leading provider of technology, connectivity and information solutions to the Property & Casualty claims and Collision Repair industries, today announced its 2012 Mitchell Property & Casualty Conference concluded successfully with participants representing more than 70 percent of the nation's top auto and workers' compensation insurance companies. Held March 19-20 at the Ritz-Carlton Golf Resort in Naples, Florida, the conference featured an interactive forum focused on claims fraud, workflow automation, and data analytics innovations that will drive performance improvements into the Property & Casualty Claims and Collision Repair processes.

"Our 2012 Mitchell Property & Casualty Conference was designed to unite visionaries across the industry, and provide attendees with the opportunity to access and leverage a knowledge base of leadership in the space," said Mitchell CEO Alex Sun. "Through hosting this conference, our hope is to demonstrate Mitchell's ongoing commitment to delivering leading-edge claims technologies and services that empower our customers to achieve measurably better outcomes."

"The Mitchell P&C Conference is an annual event I try not to miss. It is often the best opportunity I have to step back and consider how best to provide more value to our clients," said Marilyn McLaren, President and CEO of Manitoba Public Insurance. "The conference is a first class event, with speakers who consistently provoke new ideas that are relevant to our company."

Several industry luminaries were highlighted at this year's Conference, inspiring insurance executives, claims processing and collision repair experts and consultants from the property and casualty insurance industries. Featured speakers included Larry Bossidy, former CEO of Honeywell, and Best Selling author of two landmark books on business leadership, Joe Wehrle, President and CEO of The National Insurance Crime Bureau (NICB) and Fred Reichheld, author of The Ultimate Question 2.0.

"Mitchell's P&C conference is dynamic, energetic and stacked with exceptional speakers! The content transcended medical bill review and auto physical damage software/ systems, and had broad appeal to participants who are interested in effective customer service and key business measures," said Kim Haugaard, Vice President of Network and Medical Operations for Texas Mutual Insurance. "The Mitchell conference is becoming the must go to conference in the space!"

Another integral component of The Property & Casualty Conference is the annual (m)Community Charity Networking Event. This year, the event supported the Florida National Guard Family Program, which is designed to maintain the emotional and physical health of military families. The (m)Community Charity Networking Events are an extension of Mitchell's volunteer initiative (m)Community, which connects colleagues across the Company's offices nationwide to support charitable works in their local communities.

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Mitchell RepairCenter™ ToolStore Sets the Stage for an Integrated Industry

Third-party applications fully integrated into Mitchell's Shop Workspace™ deliver synchronous data transfer and seamless workflow to the collision repair industry.

San Diego, CA—March 19, 2012
Mitchell, a leading provider of technology, connectivity and information solutions to the Property & Casualty claims and Collision Repair industries, today announced the launch of the RepairCenter™ ToolStore, a dynamic market place that empowers shops to connect with their collision repair trading partners, saving time and resources. RepairCenter is the industry's first Shop Workspace™ solution that manages the repair, the customer, and the business, all from a single customizable workspace. Now, with the addition of RepairCenter ToolStore, Mitchell's Workspace will be continually enriched with the integrated, third party Add-On Tools shops need to streamline workflows and run their businesses more profitably and efficiently.

"Mitchell's RepairCenter ToolStore opens the door to collaboration and integration," said Jim O'Leary, Mitchell's Vice President of Repair Solutions. "We have a lot of great ideas here at Mitchell, but we know we can't do it all. The ToolStore brings the industry together, providing all the right tools in a single workspace. It's not just software anymore; it's a platform for innovation and efficiency."

Companies already signed up with the RepairCenter ToolStore include Enterprise Rent-A-Car®, Sherwin-Williams®, Hertz®, LKQ®, GRC-Pirk, UpdatePromise, AutoHouse Technologies, Airbag Solutions, 1-800-Radiator, Car-Part.com, CollisionNotes™, KPA, Driven Solutions, ClaimsCorp and Collision Biz—with more partners developing apps for the rapidly expanding ToolStore.

Mitchell's RepairCenter ToolStore is part of RepairCenter, which is built on the strength of Mitchell's market—leading business management systems, repair information content, and customer satisfaction services functionality. RepairCenter's flexible design allows auto body shops to select the exact tools they need to create a customized Workspace. Whether it's for parts procurement, paint, rental, compliance, analytics or other valuable Add-on tools, the RepairCenter ToolStore is like having every tool in the industry on hand for the collision repair workflow.

To learn more about RepairCenter and Mitchell's other solutions for collision repair facilities please fill out the contact us form on Mitchell.com or contact your Mitchell representative. To get additional information about building your own application in the ToolStore, visit http://www.mitchell.com/contact/forms/auto-physical-damage/rc-partner.asp or contact Mitchell at 1-800-238-9111.

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For more information about Mitchell, visit www.mitchell.com.

Mitchell Announces Acquisition of National Health Quest, Inc.

Purchase of premier out-of-network negotiation provider broadens Mitchell's capabilities to help payers manage injury costs and deliver more value to injured parties.

San Diego, CA—March 14, 2012
Mitchell, a leading provider of technology, connectivity and information solutions to the Property & Casualty (P&C) claims and Collision Repair industries, today announced the acquisition of National Health Quest, Inc. (NHQ), a national best-in-class provider of negotiated out-of-network payment services. This acquisition expands Mitchell's already robust capabilities in injury claims medical cost management and will enable Mitchell clients to deliver even higher levels of efficient, cost-effective and service-sensitive claims handling to their customers. The terms of the transaction were not disclosed.

"Mitchell is focused on providing solutions that produce measurably better outcomes for our clients," said Alex Sun, President and CEO of Mitchell. "The acquisition of NHQ further exemplifies our commitment to key, strategic relationships and investments that enable us to develop and deliver the industry's leading software and service solutions to the P&C claims market. We are excited to extend Mitchell NHQ Negotiation Services to our auto casualty and workers' compensation customers."

"There is tremendous value that can be delivered to the injury claims handling community via the appropriate integration and use of specialized out-of-network negotiation services within the claims handling value chain," said J.L. Fersch, Jr. President & Founder of National Health Quest. "Approximately 50-70% of medical charges are generated by providers who are currently not part of a provider network, and NHQ is the leader in addressing the full spectrum of out-of-network charges, not just large claims. The combination of Mitchell's focus on quality provider networks and NHQ's strength in its broad application of negotiation services will further enable injury claims professionals to achieve their primary goal of delivering excellent medical care in the most cost-effective manner to ensure maximum policy benefit for injured parties."

The acquisition of NHQ provides for the expansion of out-of-network negotiation service capabilities to Mitchell clients. In addition to employing NHQ's negotiation solutions, Mitchell will maintain relationships with other out-of-network negotiation service providers in order to offer Mitchell clients the service options that are best suited to their needs. Mitchell has no plans to change its relationships with any of its out-of-network negotiation service partners.

J.L. Fersch, Jr. joins Mitchell as Founder of NHQ and will continue to lead its operations in Redondo Beach, CA. NHQ will become a division of Mitchell. For more information, please visit www.mitchell.com.

About National Health Quest, Inc.

National Health Quest (NHQ) has been representing major national insurance carriers, employers, self-insured employers groups, TPA's, consultants and brokers for over two decades. Since inception, NHQ has continued its tradition of leadership in the national Healthcare Cost Containment arena by setting high standards of integrity for others to follow. NHQ invites you to visit www.nhqinc.com.

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Mitchell Launches Risk and Performance Optimization Unit to Drive Innovation in Insurance Claims

Leverages advanced analytics of big data to identify emerging trends and improve performance.

San Diego, CA—March 8, 2012
Mitchell, a leading provider of technology, connectivity and information solutions to the Property & Casualty claims and Collision Repair industries, today announced the launch of its Risk and Performance Optimization (RPO) solutions unit, intended to position Mitchell as a leader in advanced analytics serving the insurance claims industry. Leveraging deep analysis of claims data processed through Mitchell's casualty and auto physical damage businesses, the RPO unit will help the company apply new analytics, data warehousing, and consulting resources to the complex claims management challenges facing its U.S. clients.

RPO's mission is delivering analytics-based automation through Mitchell's core software platforms that help claims operations resolve claims faster, mitigate fraud, waste and abuse and maximize policy holder's claim experience.

Mitchell CEO Alex Sun states that, "Applying advanced analytics methodologies to claims data has the promise to drive tremendous improvements and insights into the claims handling process and trends overall. RPO will help Mitchell's clients deploy tools that analyze our data streams to improve and ensure fair and effective claim resolution."

Mitchell has hired Keith Peterson to lead the new RPO unit. Peterson, a 20-year veteran of the predictive analytics industry, has been with Mitchell for one year and was previously SVP of Global Data Product Development with Experian and Chief Operating Officer of Claritas, now part of the Nielsen Company. "Claims leaders need access to more insight to identify where they can improve operating performance and better automation to assist adjusters in resolving claims faster and fairly," said Peterson. He holds a doctorate from Vanderbilt University and is a published expert in data-driven optimization and segmentation methodologies.

The Risk and Performance Optimization Unit is based at Mitchell's San Diego Headquarters office and draws on Mitchell's wealth of industry, workflow automation and data management expertise.

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Alpha Review Selects Mitchell Health Ticket and Provider Directory Solution

Mitchell web-based tools will improve workers' compensation claims cost containment with better care communications and PPO penetration.

San Diego, CA—March 5, 2012
Mitchell, a leading provider of technology, connectivity and information solutions to the Property & Casualty claims and Collision Repair industries, today announced that Alpha Review, a leading national medical bill review innovator, has selected the Mitchell Health Ticket and Provider Lookup Directory to help contain workers' compensation claim costs. The Mitchell Health Ticket and Provider Lookup Directory is a web-based claim communications and PPO compliance solution that improves workers' compensation claims cost containment with better care communications and provider network penetration.

Mike Drevalas, president for Alpha Review, said, "The Mitchell Health Ticket and Provider Lookup Directory will help our payer clients increase preferred PPO utilization and improve the quality and timeliness of care with a solution that makes critical claims information and preferred provider networks available to all involved in a workers' compensation claim. Alpha Review looks forward to deploying this cost containment innovation to our broader client base."

"Mitchell is pleased to help add value to Alpha Review's medical bill review services," said Nina Smith-Garmon, senior vice president and general manager of the Mitchell Workers' Compensation Solutions Division. "The Mitchell Health Ticket and PPO Lookup Directory, powered by VIIAD, is part of Mitchell's commitment to continually improve the cost containment opportunities available from the SmartAdvisor medical bill software suite of extended specialty pricing, PPO networks and compliance expertise solutions for workers' compensation claims."

SmartAdvisor is a comprehensive bill review solution for workers' compensation that contains a unique combination of performance software, client services and best-in-class partnerships. SmartAdvisor's distinctive capabilities include customizable workflow modeling, a robust business decision rules engine, data analytics and reporting tools, Claims Examiner Portal for fast, secured, real-time access to bill data and a proven technology platform that delivers on average 50-70% straight-through processing for improved efficiencies and lower costs. Visit www.mitchell.com/smartadvisor for more information or contact 1-800-421-6705 to schedule a demo of the SmartAdvisor bill review system.

About Alpha Review Corporation

Alpha Review Corporation (ARC) was formed in 1995 as a medical bill review company. ARC customizes its bill review services to meet the client's individual needs by setting specific and unique customer notification parameters, providing customized management reports, or meeting any number of perhaps seemingly minor, but critical needs. This ensures the bill review process will work smoothly and efficiently for our customer. By focusing on medical bill review, ARC is able to leverage its experience and expertise to provide the best possible savings. We are the focal point of the client's need for bill review expertise in any state. We are a single resource, processing all bills at one location. For more information, please visit www.alphareview.com.

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About Mitchell Workers' Compensation Solutions Division

Mitchell Workers' Compensation Solutions (WCS), a division of Mitchell, is a leading provider of workers' compensation cost containment technologies and solutions. Insurance payers and other clients rely on Mitchell's medical bill review solution, the SmartAdvisor™ Software Suite, to improve their medical cost savings results. For more information, please visit www.mitchell.com/workerscomp.

Alpha Review Migrates to Mitchell SmartAdvisor™ Medical Bill Review Solutions

First complete and successful migration of Ingenix PowerTrak client to SmartAdvisor™ suite of workers' compensation claims cost containment solutions.

San Diego, CA—February 28, 2012
Mitchell, a leading provider of technology, connectivity and information solutions to the Property & Casualty claims and Collision Repair industries, today announced that Alpha Review, a leading national medical bill review innovator, has successfully migrated to the Mitchell SmartAdvisor™ medical bill review suite of extended specialty pricing, PPO networks and compliance expertise solutions. Prior to selecting Mitchell as its workers' compensation claims management and cost containment solutions provider, Alpha Review was an Ingenix PowerTrak client.

"We welcome Alpha Review to the SmartAdvisor medical bill review family," said Nina Smith-Garmon, senior vice president and general manager of the Mitchell Workers' Compensation Solutions Division. "The successful migration of Alpha Review from PowerTrak to SmartAdvisor is testament to the speed and success of Mitchell's integration of the Ingenix P&C medical bill review business into our suite of technology-enabled claims management solutions,as well as the strength of our client partnerships."

Mike Drevalas, president for Alpha Review, said, "Together, Alpha Review and Mitchell Workers' Compensation Solutions will empower our payer clients to significantly streamline and optimize medical claims management with Mitchell's cost containment solutions. The smooth implementation process and migration to the SmartAdvisor medical bill review platform ensures that we can immediately achieve even greater cost savings for our clients without compromising high-quality and effective care for injured workers."

SmartAdvisor is a comprehensive bill review solution for workers' compensation that contains a unique combination of performance software, client services and best-in-class partnerships. SmartAdvisor's distinctive capabilities include customizable workflow modeling, a robust business decision rules engine, data analytics and reporting tools, Claims Examiner Portal for fast, secured, real-time access to bill data and a proven technology platform that delivers on average 50-70% straight-through processing for improved efficiencies and lower costs. Visit www.mitchell.com/smartadvisor for more information or contact 1-800-421-6705 to schedule a demo of the SmartAdvisor bill review system.

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Mitchell Releases Claims Triage in WorkCenter™

Provides configurable and intelligent assignment routing at First Notice of Loss, reducing claims settlement time and identifying potential total loss vehicles upfront.

San Diego, CA—February 27, 2012
Mitchell, a leading provider of technology, connectivity and information solutions to the Property & Casualty Claims and Collision Repair industries, today announced the immediate availability of Claims Triage, a powerful technology solution created specifically to streamline resource allocation decision-making for physical damage claims. Claims Triage empowers insurance carriers to determine the most efficient resource for an assignment at First Notice of Loss (FNOL), thereby improving customer satisfaction by accelerating claims settlement.

"Mitchell is continuously striving to improve the insurance claims experience with the most innovative solutions, driven by our data-centric approach to high performance claims management," said Paul Rosenstein, Vice President for Mitchell. "Claims Triage is another compelling example of our commitment to serving the unique property claims needs of our insurance clients."

Claims Triage eliminates assignment guesswork by defining questions and criteria around the status of the vehicle. This permits claims representatives to consistently route the assignment to the best resource for timely and accurate completion. WorkCenter simplifies the process of configuring the questions by providing a user interface that permits any authorized insurance user to update or change the questionnaire within minutes—eliminating the manual changes that are typically required when handling FNOL within a claims management system.

Claims Triage is fully integrated within Mitchell WorkCenter™, an open, modular, and end-to-end physical damage claims settlement solution that powers all of an insurer's physical damage claims processing needs including dispatch, appraisal, total loss, repair management, review and customer satisfaction reporting. To learn more, please go to Mitchell.com/WorkCenter.

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Mitchell Partners with San Diego County Office of Education to Broaden Youth Career Opportunities

Collision repair course at San Diego City College offers a gateway to improved employment prospects for area youth.

San Diego, CA—February 20, 2012
Mitchell, a leading provider of technology, connectivity and information solutions to the Property & Casualty claims and Collision Repair industries, today announced another successful community partnership, with the San Diego County Office of Education's Work Readiness Program. Mitchell is funding a collision repair program at San Diego City College, which introduces area youth to career opportunities in the industry. In this endeavor, the Company proudly continues nearly a decade of support of the local program, as part of its ongoing community outreach initiatives.

"Mitchell's long-standing support for this type of career gateway for our students is invaluable," said Ed Rulenz, Project Facilitator and Instructor for San Diego County's Office of Education's Work Readiness Program. "Challenging economic circumstances make partnerships such as this one absolutely essential, and through Mitchell's financial support, on-site collision repair facility visits, and provision of tool kits for students, we are able to empower such deserving young people to broaden their career opportunities and better their futures."

The collision repair class supported by Mitchell at San Diego City College introduces students to basic vehicle paint preparatory techniques. The course is overwhelmingly popular, with a typical 150 person wait list. Students can go on to more advanced collision repair training at the school, and Mitchell also aids in internships and job placement at local repair shops.

"It is tremendously gratifying and humbling to see how our partnership with San Diego City College has presented exciting collision repair career opportunities for local students, and we look forward to continuing to work together to encourage and support young people in our own backyard," said Jack Farnan, Mitchell's Senior Vice President of Human Resources. "For Mitchell, active involvement in our community is a personal endeavor for our team members and speaks to the integrity we try very hard to bring to every aspect of our business. We are proud to make more career opportunities a reality for more people and view partnerships such as this one as an opportunity for us to continually strengthen our community."

About San Diego County Office of Education

The mission of the San Diego County Office of Education, as a world-class educational leader and trusted partner, is to transform public education and guarantee high levels of student achievement. In partnership with local school districts and the global learning community, we will research and apply innovative 21st century practices; leverage resources; develop strategic alliances; inspire powerful leadership and provide exemplary customized services to districts, communities and our students in all County Office-operated programs. Learn more at www.sdcoe.net.

About Mitchell

Mitchell empowers clients to achieve measurably better outcomes. Providing unparalleled breadth of technology, connectivity and information solutions to the Property & Casualty claims and Collision Repair industries, Mitchell is uniquely able to simplify and accelerate the claims management and collision repair processes.

As a leading provider of Property & Casualty claims technology solutions, Mitchell processes over 50 million transactions annually for over 300 insurance companies/claims payers and over 30,000 collision repair facilities throughout North America. Founded in 1946, Mitchell is headquartered in San Diego, California, and has 1,700 employees. The company is privately owned primarily by the Aurora Capital Group, a Los Angeles-based investment group. For more information about Mitchell, visit www.mitchell.com.

Mitchell Announces Significant Enhancements to SmartAdvisor™ Utilization Review

Mitchell Workers' Compensation Solutions further automates and optimizes common lengthy and error–prone manual medical bill review process.

San Diego, CA—February 7, 2012
Mitchell, a leading provider of technology, connectivity and information solutions to the Property & Casualty claims and Collision Repair industries, today announced significant enhancements to the SmartAdvisor™ Utilization Review (UR) Decision Manager, an industry-leading solution that automatically integrates utilization review decisions within the bill review process, empowering insurance claimspayers with the ability to reduce unauthorized treatment losses, improve efficiency with automated and accelerated treatment decisions, and optimize investment in UR technology.

"The Mitchell SmartAdvisor UR Decision Manager, like all our claims management solutions, is continually enhanced and improved in order to substantially increase straight-through processing rates. The UR Decision Manager automatically applies utilization review recommendations to a bill, allowing manual intervention only when needed, which enabled one of our clients to reduce medical bill processing time by an impressive 25.3 per cent," said Nina Smith-Garmon, senior vice president and general manager of the Mitchell Workers' Compensation Solutions Division.

Now, the Mitchell SmartAdvisor™ UR Decision Manager offers insurance payers further improvements in operational and financial efficiency with the ability to customize UR exceptions at the client, policy or claims systems level automate compliance with New York and California treatment guidelines; and access an enhanced user interface with more granular visibility into bill entry and Explanations of Review (EOR) applied UR decisions. In addition, SmartAdvisor now supports the integration of third party systems such as Unimed, DataCare, CID and others into the UR Decision Manager, in order to simplify and optimize claims handling while containing costs.

SmartAdvisor is a comprehensive bill review solution for workers' compensation that contains a unique combination of performance software, client services and best-in-class partnerships. SmartAdvisor's distinctive capabilities include customizable workflow modeling, a robust business decision rules engine, data analytics and reporting tools, Claims Examiner Portal for fast, secured, real-time access to bill data and a proven technology platform that delivers on average 50-70% straight-through processing for improved efficiencies and lower costs. Visit www.mitchell.com/smartadvisor for more information or contact 1-800-421-6705 to schedule a demo of the SmartAdvisor bill review system.

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About Mitchell Workers' Compensation Solutions Division

Mitchell Workers' Compensation Solutions (WCS), a division of Mitchell, is a leading provider of workers' compensation cost containment technologies and solutions. Insurance payers and other clients rely on Mitchell medical bill review solution, the SmartAdvisor™ Software Suite, to improve their medical cost savings results. For more information, please visit www.mitchell.com/workerscomp.

Mitchell Announces Winner of Get-a-Life Dream Vacation

Wicklunds CARSTAR "gets a life" with RepairCenter™.

San Diego, CA—January 17, 2012
Mitchell, a leading provider of technology, connectivity and information solutions to the Property & Casualty claims and Collision Repair industries, today announced the winner of Mitchell's Get-a-Life Dream Vacation contest held in 2011. Mitchell's RepairCenter™ team presented Gabrielle Kephart of Wicklunds CARSTAR and Glass in Liberty, MO with a check totaling $5,000 in late December 2011, for an all expenses paid trip to Maui, Hawaii. RepairCenter is the industry's first Shop Workspace™ solution that manages the repair, the customer, and the business, all from a single personalized workspace, helping body shops manage their businesses so well that they have time to "get a life."

"Congratulations to Wicklunds CARSTAR for winning Mitchell's Get-a-Life Dream Vacation," said Jim O'Leary, Mitchell's Vice President of Repair Solutions. "We are pleased to empower shop employees to 'get a life' by simplifying every aspect of complex auto collision repair business environments. Mitchell's RepairCenter auto shop management software streamlines key repair processes to help body shops be more efficient."

O'Leary added, "We believe that a trusted partnership—founded on listening, responsiveness and collaboration—is the cornerstone of Mitchell's and our clients' success, and we will continue building on the value we deliver to the collision repair industry."

"I'm thrilled that I won Mitchell's Get-a-Life dream vacation—I couldn't believe that I won," said Gabrielle Kephart, Collision Repair Consultant for Wicklunds CARSTAR. "Mitchell RepairCenter is a great program that helps me daily in my job, from managing and navigating through files to get info on a certain file. I'm looking forward to having an amazing time in Maui with my mother."

RepairCenter is the industry's first Shop Workspace, building on the strength of Mitchell's market—leading business management systems, repair information content, and customer satisfaction services functionality. RepairCenter's flexible design allows auto body shops to select the tools they need to create a customized Workspace that meets their exact needs, and then add modules as their businesses evolve. To learn more about RepairCenter and Mitchell's other solutions for collision repair facilities please fill out the contact us form on Mitchell.com or contact your Mitchell representative.

About Wicklunds CARSTAR

Wicklunds CARSTAR & Glass of Liberty, MO was the First CARSTAR Franchisee. Founded on the principle of raising the standards of the collision repair industry, Wicklunds CARSTAR Collision Repair Center must meet strict requirements concerning quality of work, training and customer satisfaction. Wicklunds CARSTAR & Glass has earned The CARSTAR President's Platinum Award for Excellence in Customer Satisfaction. Customers have given Wicklunds a Customer Satisfaction Index Rating of 97% or greater since the program's inception in 2002. Quality repairs combined with an exceptional warranty and excellent customer service. For more information, visit www.wicklundscarstar.com.

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Mitchell's CTO Erez Nir Named Trace3 Outlier of the Year 2012 Finalist

Award Recognizes Information Technology Excellence.

San Diego, CA—January 13, 2012
Mitchell, a leading provider of technology, connectivity and information solutions to the Property & Casualty claims and Collision Repair industries, today announced that the company's Chief Technical Officer, Erez Nir, has been nominated as a finalist for the Trace3 IT Outlier Award for 2012. This nomination is featured in the prestigious CIO Magazine "State of the CIO" January 2012 issue. The IT Outlier Awards, held by Trace3, a leading IT Systems Integrator that provides solutions and services for reducing IT infrastructure complexity, celebrates organizations (and the people within them) that are using information technology to deliver innovation, demonstrate exceptional leadership, strategic growth or improve relationships and culture.

"We are very excited to have many prominent executives nominated for the launch of our inaugural Trace3 IT Outlier Award. Every nominee went through a rigorous peer based judging process and Trace3 considers each one as an Outlier and give special recognition to this year's finalists," said Hayes Drumwright, Chief Executive Officer of Trace3.

"Mitchell is pleased to be a finalist in the Trace3 IT Outlier Awards, which recognizes our commitment to developing innovative technology solutions that form the core of high performance insurance claims management. We will continue to invest in the people, processes and infrastructure needed to empower client businesses," said Erez Nir, Chief Technical Officer at Mitchell International, "For example, at the end of 2011, we announced a significant data center upgrade that gives Mitchell, and our clients, the flexibility, reliability, security and scalability needed for future growth."

The IT Outlier Awards recognizes outstanding information technology executives who are building and leading innovative ways to solve today's business critical initiatives through technology. The winner will be selected by an independent panel of judges including CIO's, VP's and prominent leaders from academia, business and the media within the technology industry. The winner is to be announced at Trace3's annual Executive Briefing Conference (EBC) at The "M" Resort in Las Vegas, NV on February 2nd, 2012.

About Trace3 Outlier Award

"Outlier" is a scientific term to describe things or phenomena that lie outside normal experience. The IT Outlier Awards will celebrate organizations (and the people within them) that are using information technology to deliver innovation, demonstrating exceptional leadership, strategic growth or improving relationships & culture.

Trace3 provides solutions that reduce complexity within your IT infrastructure by simplifying data management, simplifying virtualization, and accelerating the network. Our specialty is customizing the solution to allow you to leverage your existing investments while increasing utilization of human capital and equipment. For more information on Trace3, please visit www.trace3.com.

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Industry Trends Report

The ***Industry Trends Report*** is a quarterly snapshot of the auto physical damage collision and casualty industries. Just inside—the economy, industry highlights, plus illuminating statistics and measures, and more. Stay informed on ongoing and emerging trends impacting the industry, and you, with the Industry Trends Report!

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Kontos Kommentary is produced monthly by Tom Kontos, Executive Vice-President, ADESA Analytical Services. ADESA is a leading provider of wholesale used vehicle auctions and ancillary remarketing services. As part of the KAR Auction Services family, ADESA works in collaboration with its sister company, Insurance Auto Auctions, a leading salvage auto auction company, to provide insights, trends and highlights of the entire automotive auction industry.

The ***Industry Trends Report*** is published by Mitchell.