



FOR IMMEDIATE RELEASE

IAA and Dealertrack Expand Strategic Agreement for Electronic Registration and Title to Ohio

Digital Transformations in the Auto Industry Continue to Rise, Supporting Faster Processing of Total Loss Titles

NORTH HILLS, NY and WESTCHESTER, IL, June 9, 2021 – IAA, Inc. (NYSE: IAA), a leading global digital marketplace connecting vehicle buyers and sellers, today announces an enhanced strategic agreement with Dealertrack to provide electronic registration and titling services in Ohio through facilitating the digital transfer of total loss titles. The agreement is announced as the global COVID-19 health crisis continues the acceleration of digitization efforts across the automotive industry, which faces yet another challenging year ahead due to the ongoing impacts of inventory shortages. These digital capabilities will be essential for dealerships to meet consumer expectations of completing more of the shopping experience online, as more than three quarters of today's shoppers are open to the idea of buying a vehicle completely online.¹ The enhanced capabilities offered by IAA and Dealertrack will connect consumers, dealerships, and insurers in Ohio for a more efficient, more profitable electronic total loss title processing experience.

The pandemic changed longstanding industry dynamics in several unforeseen ways. In particular, the total loss segment of the market has been affected by the circumstances of the last year. According to industry data, in 2020, overall traffic volume decreased by 14%, with passenger interstate travel dropping more than 50% in mid-April alone.² Even with drivers traveling fewer miles and submitting fewer overall claims, accident severity levels rose due to drivers increasing their median speeds. The percentage of vehicle claims that were non-drivable and flagged as total losses rose over the previous two years. Repair costs also trended higher during most of 2020, increasing 4.9% between 2019-2020, compared to 3.6% increases between 2018-2019.³ Higher repair costs in turn are pushing insurance companies to total vehicles that previously would have been restored.

These higher costs and totaled cars arrive amid a tight used car market due to industry-wide supply constraints caused in part by electronic chip shortages reducing availability of new vehicles that will likely persist in the coming months. The good news is the pace of digital transformation has greatly increased to keep up with this challenging environment. Prior to the pandemic, total loss title processing often took 8-10 weeks. This caused a delay in transferring ownership of total loss vehicles, which stalled cash flow for insurance companies, dealers and the downstream players who derive value from fixing, parting out or recycling salvaged

¹ 2020 Cox Automotive Digitization of End-to-End Retail Study

² 2021 CCC Crash Course, <https://cccis.com/crash-course-2021/#>

³ 2021 CCC Crash Course, <https://cccis.com/crash-course-2021/#>



vehicles. Twenty-five (25) states offer Electronic Lien and Title solutions (ELT) and 29 allow electronic registration and titling (ERT), including Ohio, which is eligible to transfer total loss titles digitally. Prior to the collaboration in Ohio, IAA and Dealertrack Registration and Title Solutions [announced a strategic agreement](#) in July 2020 when North Carolina passed a bill to become the 25th state to offer ELT services.

“Insurance companies need to control costs and cycle time, so there is less of a lag between making the customer whole and moving the vehicle value to the final party,” said Tab Edmundson, vice president of client solutions for IAA. “This IAA and Dealertrack collaboration has the potential to expedite back-office workflow and improve deal efficiency by leaps and bounds.”

More than 5 million vehicles are declared a total loss each year, according to IAA estimates, and up to 70% of those vehicles carry a loan.⁴ The IAA Loan Payoff solution, which was recently enhanced with Dealertrack Payoff Quote, can reduce the time to secure a vehicle title for a total loss claim by up to 50%, which can result in greatly reduced storage costs and vehicle depreciation.

“We’ve seen more titling legislative activity in the last year than we’ve seen in the last 50 years because many of these laws were written in the 1950’s when digitization wasn’t a consideration,” said Kaitlin Gavin, vice president of operations, Dealertrack Registration and Title Solutions. “The last year catalyzed digital transformation and adoption in many parts of the auto industry including the total loss sector. Thanks to strategic agreements like the one between Dealertrack and IAA. Technology such as the Ohio electronic titling solution can accelerate the loan payoff and the title release, which not only improves sales velocity, but improves the bottom line for dealerships in Ohio and across the country.”

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About Dealertrack

Dealertrack provides industry-leading software solutions that give dealerships, lenders, and partners the confidence to thrive in an ever-changing automotive market. The company’s integrated suite of powerful easy-to-use products and services helps dealerships and their lending partners grow by increasing efficiency and improving decision-making. Dealertrack is part of the Cox Automotive family, a company that is transforming the way the world buys, sells, owns and uses cars. Dealertrack—along with its unmatched network of dealership and lending partners—is improving the car buying experience by embracing the technologies that will shape the future of automotive retail. For more information about Dealertrack, visit www.dealertrack.com.

⁴ IAA 2019 Data



About IAA

IAA, Inc. (NYSE: IAA) is a leading global digital marketplace connecting vehicle buyers and sellers. Leveraging leading-edge technology and focusing on innovation, IAA's unique platform facilitates the marketing and sale of total-loss, damaged and low-value vehicles. Headquartered near Chicago in Westchester, Illinois, IAA has nearly 4,000 talented employees and more than 200 facilities throughout the U.S., Canada and the United Kingdom. IAA serves a rapidly growing global buyer base – located throughout over 135 countries – and a full spectrum of sellers, including insurers, dealerships, fleet lease and rental car companies, and charitable organizations. Buyers have access to multiple digital bidding and buying channels, innovative vehicle merchandising, and efficient evaluation services, enhancing the overall purchasing experience. IAA offers sellers a comprehensive suite of services aimed at maximizing vehicle value, reducing administrative costs, shortening selling cycle time and delivering the highest economic returns. For more information visit [IAAI.com](https://www.iaai.com), and follow IAA on [Facebook](#), [Twitter](#), [Instagram](#), [YouTube](#) and [LinkedIn](#).

Forward-Looking Statements:

Certain statements contained in this release include “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. In particular, statements made that are not historical facts may be forward-looking statements and can be identified by words such as “should,” “may,” “will,” “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” and similar expressions. In this release, such forward-looking statements include statements regarding the expected timing and associated benefits with respect to the strategic agreement between IAA and Dealertrack on our business and plans regarding our growth strategies and margin expansion plan, and to our customers and company generally. Such statements are based on management's current expectations, are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from the results projected, expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to: uncertainties regarding the duration and severity of the COVID-19 pandemic, and the measures taken to reduce its spread, on our business and the economy generally; the loss of one or more significant vehicle seller customers or a reduction in significant volume from such sellers; our ability to meet or exceed customers' demand and expectations; significant current competition and the introduction of new competitors or other disruptive entrants in our industry; the risk that our facilities lack the capacity to accept additional vehicles and our ability to obtain land or renew/enter into new leases at commercially reasonable rates; our ability to effectively maintain or update information and technology systems; our ability to implement and maintain measures to protect against cyberattacks and comply with applicable privacy and data security requirements; our ability to successfully implement our business strategies or realize expected cost savings and revenue enhancements, including from our margin expansion plan; business development activities, including acquisitions and integration of acquired businesses; our expansion into markets outside the U.S. and the operational, competitive and regulatory risks facing our non-U.S. based operations; our reliance on subhaulers and trucking fleet operations;



changes in used-vehicle prices and the volume of damaged and total loss vehicles we purchase; economic conditions, including fuel prices, commodity prices, foreign exchange rates and interest rate fluctuations; trends in new- and used-vehicle sales and incentives; and other risks and uncertainties identified in our filings with the Securities and Exchange Commission (the "SEC"), including under "Risk Factors" in our Form 10-K for the year ended December 27, 2020 filed with the SEC on February 22, 2021. Additional information regarding risks and uncertainties will also be contained in subsequent annual and quarterly reports we file with the SEC. The forward-looking statements included in this release are made as of the date hereof, and we undertake no obligation to publicly update or revise any forward-looking statement to reflect new information or events, except as required by law.

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