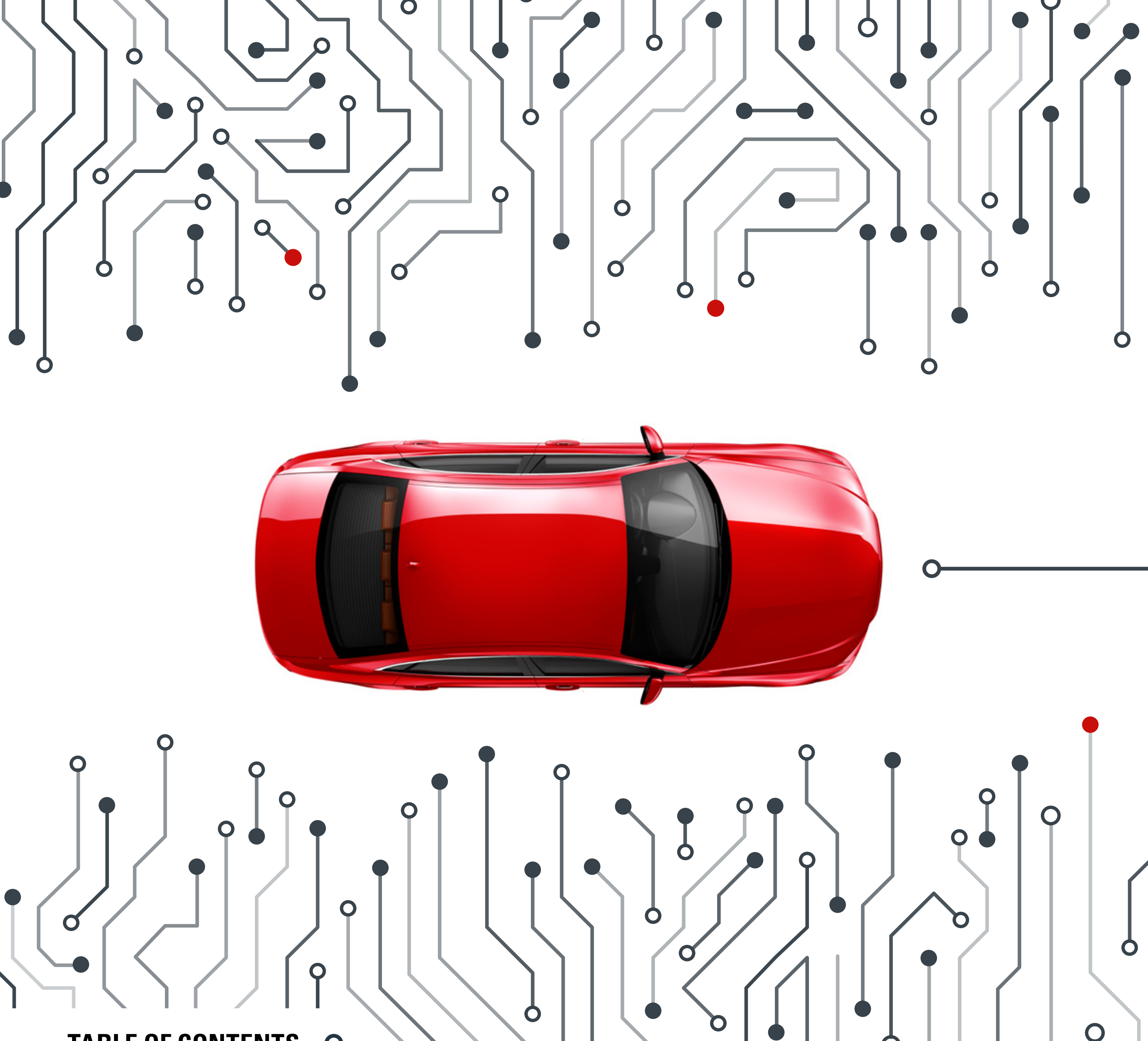
2020 IAA INDUSTRY REPORT



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Executive Summary

Economy

The U.S. economy in 2020 was met with a variety of challenges stemming from the COVID-19 pandemic. Many of the standard economic measures were quite volatile in nature as the economic impacts of the pandemic caused varying effects across sectors, firms, and consumers. According to the Bureau of Economic Analysis, the final impact of U.S. GDP was a drop of 3.5% for 2020, which represents the start of an economic recession. Similarly, the labor market and unemployment faced tremendous volatility beginning the year at 3.5% unemployment, which was near historic lows, quickly moving up to 14.8% in April, and ending the year at 6.7%. Labor market volatility played into consumer spending behavior as workers factored in their uncertainty. The severity of this economic crisis was met with a significant policy response by the federal government and the Federal Reserve, resulting in legislative actions and monetary policy support. While the U.S. struggled with the COVID-19 health crisis, so did the rest of the world. As a result, the U.S. dollar experienced some initial appreciation, followed by depreciation, ultimately ending the year down roughly 1%. [1]

2020 Real GDP Growth

3.5%

Unemployment Rate

6.7% for 12/20

8.1% for 2020

Average Unemployment Rate

3.2% increase from 1/20 – 12/20

U.S. Dollar

1.0%

[1] BEA Press Release on GDP: https://www.bea.gov/news/2021/gross-domestic-product-4th-quarter-and-year-2020-advance-estimate#:~:text=BEA%2021%2D02-,Gross%20Domestic%20Product%2C%204th%20Quarter%20and%20Year%202020%20(Advance%20Estimate,the%20Bureau%20of%20Economic%20Analysis

Unemployment Rate: https://data.bls.gov/timeseries/LNS14000000

https://fred.stlouisfed.org/series/TWEXAFEGSMTH

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Automotive Summary

The automotive industry experienced a bumpy ride this year with a significant drop off in sales in the early days of the pandemic but rebounded in the latter half of the year. In the end, new vehicle sales were down 14.7% for the year. However, there was a positive trend moving toward 2021, with December sales up 6.1% year-over-year. Fuel prices followed a similar trajectory, falling at the beginning of the pandemic as consumers limited travel globally, creating a downward shift in the demand for oil, leaving both gas and diesel prices down about 16% for the year. While prices rebounded throughout the year from their lows, they remained reasonably stable late in the year.

Lastly, the pandemic has created supply chain challenges for the automotive industry, notably in the production of semiconductor chips. Given various assembly production shutdowns throughout the pandemic and firms shifting some production efforts to consumer electronics, there is a shortage of chips for the automotive industry. Given these are essential to the production of vehicles, the lack of chip supply is estimated to severely limit vehicle production in 2021. Current estimates from IHS Markit indicate that global vehicle production could fall by roughly 672,000 vehicles in the first quarter of 2021 alone. This will be an important challenge for the industry in 2021.[2]

Gas Prices
16.5%

Diesel Prices
16.3%

[2] *https://www.cnbc.com/2021/02/11/how-covid-led-to-a-60-billion-global-chip-shortage-for-automakers.html*

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Salvage Summary

To continue the running theme, 2020 was a volatile year for the automotive salvage industry. Whole-crushed auto-body prices fell by nearly 15% during the year alongside the weak global demand brought on by the global recession. However, prices showed signs of a positive upward trend toward the end of the year. From the metals perspective, aluminum fell by 5% for the year, while both platinum and palladium experienced rising prices. Platinum was up 2.7% for the year, while palladium surged to a year-over-year increase of nearly 44%. The movements in the metals markets were consistent with movements in the automotive markets. While used-car prices initially weakened at the beginning of the pandemic, prices surged throughout the summer as consumers moved away from public transportation, and softened going into the end of the year, ultimately finishing up 7.2% for the year.

Aluminum -4.9%

Platinum 2.7%

Palladium 43.9%

Whole-Crushed Auto-Body Prices -14.9%

Used-Car Prices 7.2%

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Rush Hour Congestion

70%

Claims Industry Summary

Like many other industries, the pandemic has had an interesting impact on the claims industry, from vehicle miles traveled (VMT), to consumer driving habits, to claims behavior.

The initial and prolonged effect of the pandemic was a reduction in household mobility. Across a host of different measures, the obvious response of households, partially driven by various lockdown policies and precautionary behaviors, was to limit their time spent outside the home. For example, the Federal Reserve Bank of Dallas Mobility and Engagement Index, which tracks anonymous mobile phone geolocation data, indicated a dramatic fall in mobility in late March and April 2020 nationally, followed by a slight recovery. However, this measure indicates household mobility was still well below pre-pandemic levels at the beginning of 2021. Of course, we can point to several contributing factors to this fall in mobility, ranging from work-from-home policies, remote schooling, and a reduction in travel, to name a few.

The important implication of the change in mobility is a reduction in VMT. In short, if there is a reduction in mobility, there is a reduction in VMT. The VMT data indicated a sudden drop in April 2020 followed by a slow recovery through the remainder of the year across passenger vehicles and trucks.

However, the VMT for trucks experienced a faster rebound to pre-pandemic levels given the importance of shipping throughout this crisis.

The fall in VMT correlates with a significant reduction in traffic congestion. According to data from the TOMTOM traffic index, AM and PM rush hour congestion data was down over 70% year-over-year in April 2020. Given work-from-home business models, this pattern continued throughout the year, with AM rush hour congestion still down over 50% year-over-year in December 2020.

Obviously, the reduction in VMT and traffic have led to a significant fall in claims. According to CCC Information Services, claim counts for 2020 across all loss categories were down roughly 20%, while claim counts for collision- and liability-only were down nearly 25% for the year. While claim counts have been down due to fewer accidents, according to INRIX, drivers have been driving faster given the lower traffic congestion. From April to July 2020, while median VMT fell by 35%, the median speed increased by 33%.

The key takeaway is that the COVID-19 pandemic has reduced mobility outside the home and ultimately vehicle miles traveled. This has led to a reduction in traffic and accidents, which decreased claims overall in 2020. [3]

[3] *2021 Crash Course, CCC Information Services*

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Section 1
U.S. Economy

2020: A Challenging Year

The longest expansionary period in U.S. history came to a close with the onset of the COVID-19 pandemic and its subsequent economic impact. Using annualized data, quarterly GDP growth was quite volatile, falling by 5% in the first quarter and 31.4% in the second quarter, only to rebound with 33.4% and 4.0% growth in the latter quarters of the year (for comparison, the non-annualized figures representing quarter-to-quarter changes were -1.3%, -9.0%, 7.5%, and 1.0%, respectively). While the rebound seems promising, it is worth noting that real GDP is still down from its pre-COVID level, with the Bureau of Economic Analysis projecting the fall in GDP for 2020 to be 3.5%. [4]

The volatility in this primary measure of economic activity can be attributed to several factors, but consumption and business investment were key drivers of fluctuations in 2020. Consumption saw a significant drop in the second quarter of 2020, with a notable fall in the services sector by consumers. This makes sense, as individuals have shied away from partaking in activities that require face-to-face interactions throughout the pandemic. While some of this spending returned in the following quarters, partially due to government stimulus programs, there is still a lagging recovery for sectors such as entertainment, recreation, hospitality, and tourism. [5]

Likewise, the business sector experienced significant swings in the inventory and business fixed investment categories that can be linked to consumer spending patterns. The challenges faced from a health perspective, as well as an economic perspective, were met with unprecedented fiscal and monetary policy responses. These responses include the government running a more than $3.4 trillion deficit due to COVID-related legislation, and the Federal Reserve dropping interest rates back to near-zero levels and flooding various markets with liquidity and support to weather the storm. [6]

While 2020 was challenging, there is some optimism on the horizon due to the continued efforts to address the pandemic through vaccinations, which could help put the economy back on track.

REAL GDP

2019 $19.25 Trillion

2020 $18.78 Trillion

[4] *Real GDP: https://fred.stlouisfed.org/series/GDPC1*

BEA Press Release on GDP: https://www.bea.gov/news/2021/gross-domestic-product-4th-quarter-and-year-2020-advance-estimate#:~:text=BEA%2021%2D02-,Gross%20 Domestic%20Product%2C%204th%20Quarter%20and%20Year%202020%20(Advance%20Estimate,the%20Bureau%20of%20Economic%20Analysis.

[5] *Spending Behavior Data via Opportunity Insights: https://tracktherecovery.org/*

[6] *Center for Responsible Federal Budget: http://www.crfb.org/blogs/breaking-down-3-4-trillion-covid-relief*

Federal Funds Rate: https://fred.stlouisfed.org/series/FEDFUNDS

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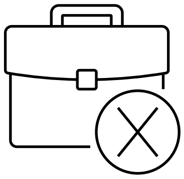
Labor Market Continues to Struggle

The economic crisis had a sudden and substantial impact on the labor market, moving from a near historic 3.5% low in the unemployment rate in February 2020, peaking at 14.8% in April, and ending the year at 6.7%. While the 6.7% unemployment rate in December is down significantly from April, this is still nearly double the pre-COVID low, indicating the labor market is still facing challenges in this environment and will continue to do so for the foreseeable future. [7]

Prior to the pandemic, at a national level there were actually more jobs available than workers seeking to fill them. This trend reversed sharply in April 2020 and has persisted into 2021, where there is now a shortage of jobs. For perspective, total non-farm private payroll employment is down 7.5% from January to December 2020. [8]

An added complication in the labor market is the significant variation in how the pandemic has impacted workers. For example, high-income employment has in many ways returned to pre-pandemic levels, while low-income employment is still well below its early 2020 levels. Some of this can be tied to the ability to remote work in various industries. Another labor market challenge is the disproportionate effect this economic crisis is having on female labor force participation, specifically families with children. School closures have helped push some parents out of the labor force as they try to cope with their children's need for remote learning. This burden is weighing more heavily on women. In short, the labor market, like many other economic variables, has been incredibly volatile over the course the last year and still has many challenges ahead on the path to recovery. [9]



AVERAGE UNEMPLOYMENT

2019 **3.6%**

2020 **8.1%**

[7] *Unemployment Rate: https://data.bls.gov/timeseries/LNS14000000*

[8] *Total Non-farm Private Payroll Employment Data: https://fred.stlouisfed.org/series/NPPTTL*

[9] *High-income vs low-income employment via Opportunity Insights: https://tracktherecovery.org/*

Labor Force & Women: https://www.nytimes.com/2020/10/29/upshot/mothers-leaving-jobs-pandemic.html

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The Rise and Fall of the Dollar

While the annual average of the trade-weighted dollar index shows a mild softening of the USD of about 1%, that calculation masks solid movement over the course of the year which actually saw a 3.4% increase from January 2020 to April 2020. As is common in global economic crises, there was an initial "flight to safety" as global investors sought to access U.S. dollars as a result of rising uncertainty fostered by the pandemic. This early dollar appreciation was short-lived, and the dollar depreciated by 9.1% through the remainder of the year. [10]

The combination of the status of the U.S. COVID recovery related to the rest of the world, as well as falling U.S. interest rates, which lowers the incentive for accessing USD for investment, both played into the dollar's depreciation throughout the last eight months of the year. The upside to the falling dollar valuation is that this could help to boost GDP by raising the price of imports and making our exports relatively cheaper. These two actions combined could put pressure on net exports to increase, thereby raising GDP. [11]

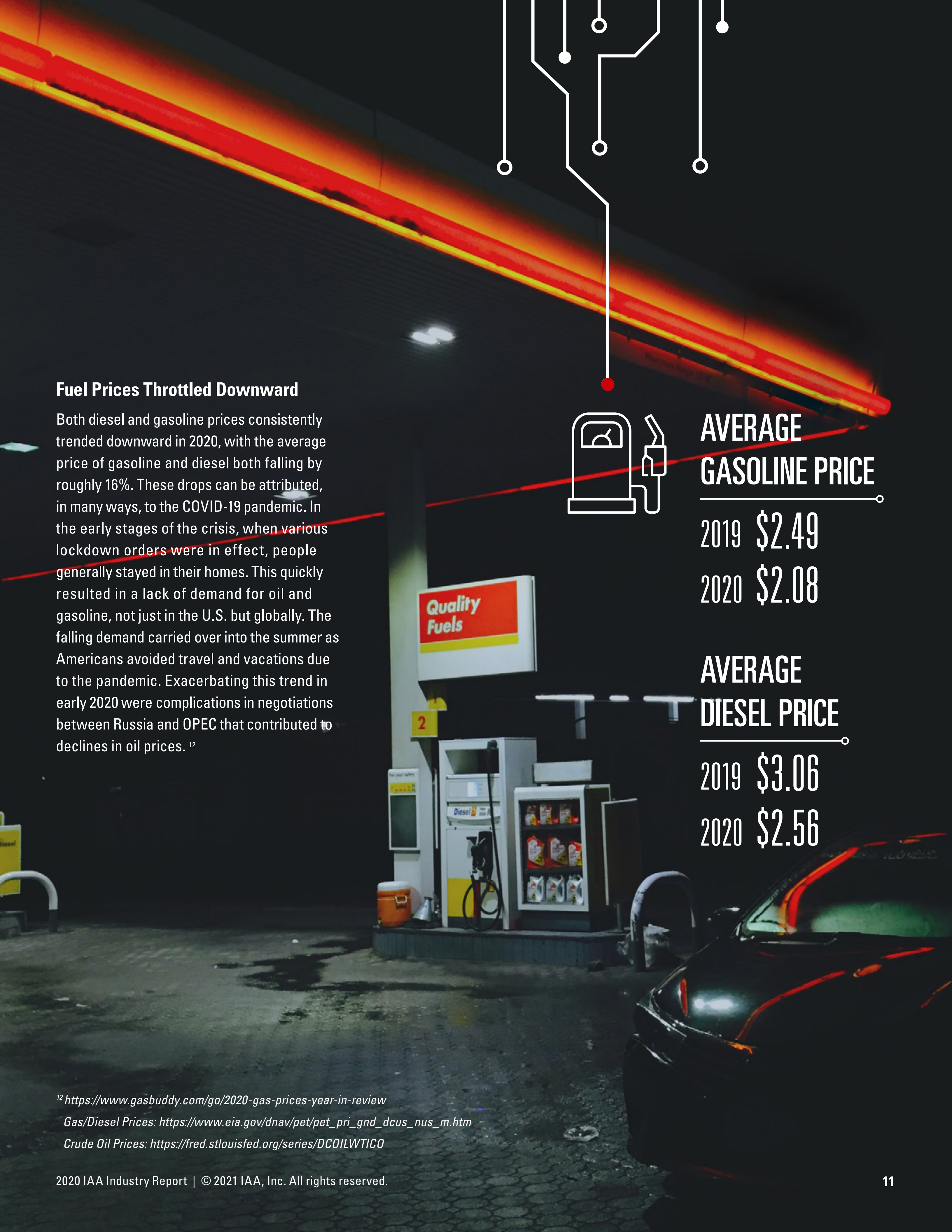
TRADE WEIGHTED U.S. DOLLAR INDEX ANNUAL AVERAGES

2019 **110.2**

2020 **109.1**

[10] https://fred.stlouisfed.org/series/TWEXAFEGSMTH
https://www.cnn.com/2020/04/17/perspectives/strong-dollar-coronavirus/index.html

[11] https://www.troweprice.com/personal-investing/resources/insights/the-us-dollar-in-2020-does-the-buck-stop-here.html



Fuel Prices Throttled Downward

Both diesel and gasoline prices consistently trended downward in 2020, with the average price of gasoline and diesel both falling by roughly 16%. These drops can be attributed, in many ways, to the COVID-19 pandemic. In the early stages of the crisis, when various lockdown orders were in effect, people generally stayed in their homes. This quickly resulted in a lack of demand for oil and gasoline, not just in the U.S. but globally. The falling demand carried over into the summer as Americans avoided travel and vacations due to the pandemic. Exacerbating this trend in early 2020 were complications in negotiations between Russia and OPEC that contributed to declines in oil prices. [12]

AVERAGE GASOLINE PRICE

2019 $2.49

2020 $2.08

AVERAGE DIESEL PRICE

2019 $3.06

2020 $2.56

[12] *https://www.gasbuddy.com/go/2020-gas-prices-year-in-review*

Gas/Diesel Prices: https://www.eia.gov/dnav/pet/pet_pri_gnd_dcus_nus_m.htm

Crude Oil Prices: https://fred.stlouisfed.org/series/DCOILWTICO

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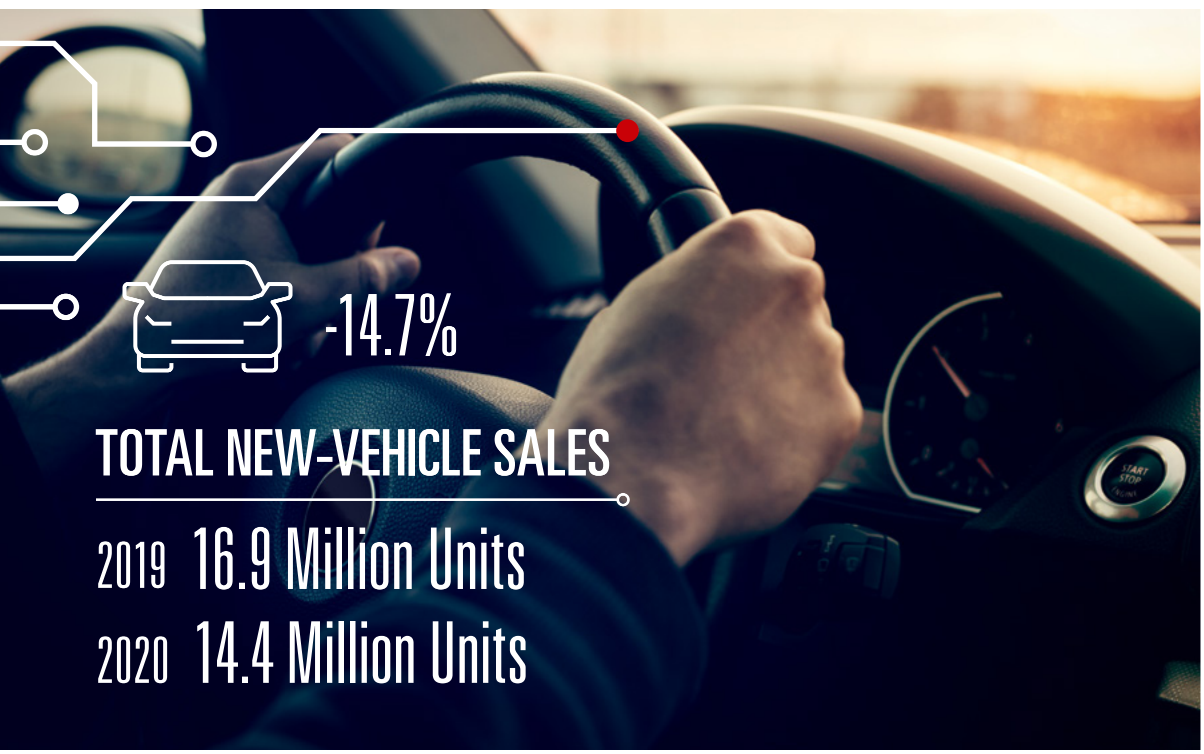
Section 2
Automotive Industry

Total New-Vehicle Sales

Like many industries, the auto industry began recovering in the back half of the year after experiencing a precipitous drop in the first two quarters of 2020. Compared to the previous year, average monthly new vehicle sales fell 14.7%. But averages can be deceiving; by December sales were actually up over 6.1% versus the same month in 2019.

As consumers grew more uncertain about job security and the implications of COVID-19 in Q1, they began a dramatic pullback in spending on anything nonessential. This continued into April, with sales falling over 46% year-over-year, which coincided with the highest rate of saving by the American consumer ever recorded. On average, American consumers saved a third of every dollar of income in the month of April.

Sales experienced a nice recovery in the second half of the year as consumers and businesses slowly regained confidence. As vaccination programs expand and consumers continue to regain confidence, the auto industry has reason to be optimistic for a strong 2021. [13]



[13] *https://fred.stlouisfed.org/series/PSAVERT*
BEA GDP Q2 Release: https://www.bea.gov/news/2020/gross-domestic-product-third-estimate-corporate-profits-revised-and-gdp-industry-annual

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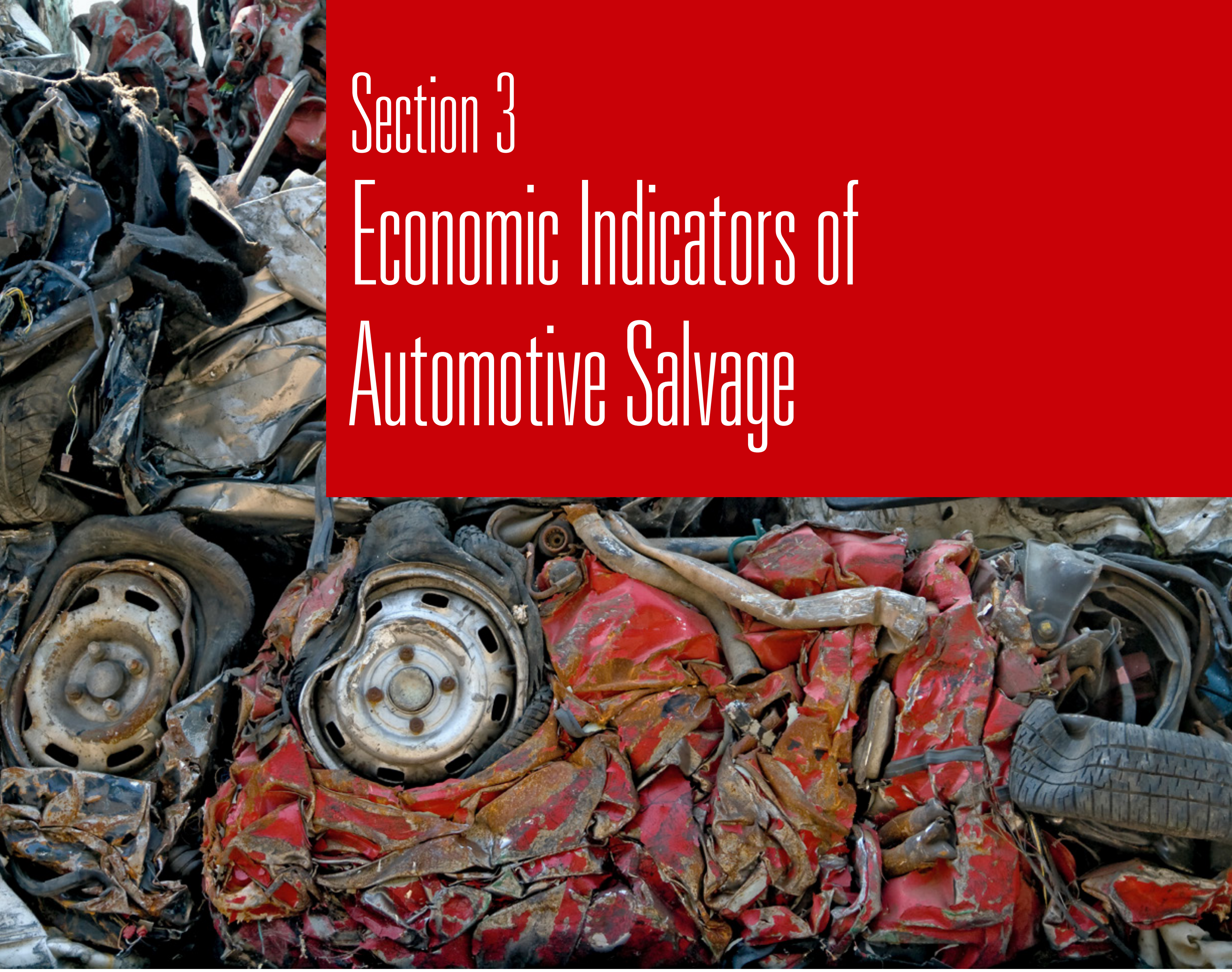

Section 3
Economic Indicators of Automotive Salvage

Whole Crushed Auto-Body Prices

Prices fell significantly throughout 2020 due to falling demand created by a global recession. COVID-19 halted trading due to shelter in place orders, which, combined with the hit to the oil industry, had a negative impact on steel prices. Crushed auto-body prices saw the greatest decline during late summer and early fall, sinking to a monthly average low of $129 per gross ton in September. While the scrap market overall saw a weak 2020, November and December prices finished off the year closer to 2019 levels. [14]

$ -14.9%

WHOLE CRUSHED AUTO-BODY PRICES

2019 Average $161

2020 Average $137

[14] *https://www.recyclingtoday.com/article/ferrous-scrap-markets-covid-19-impact/*

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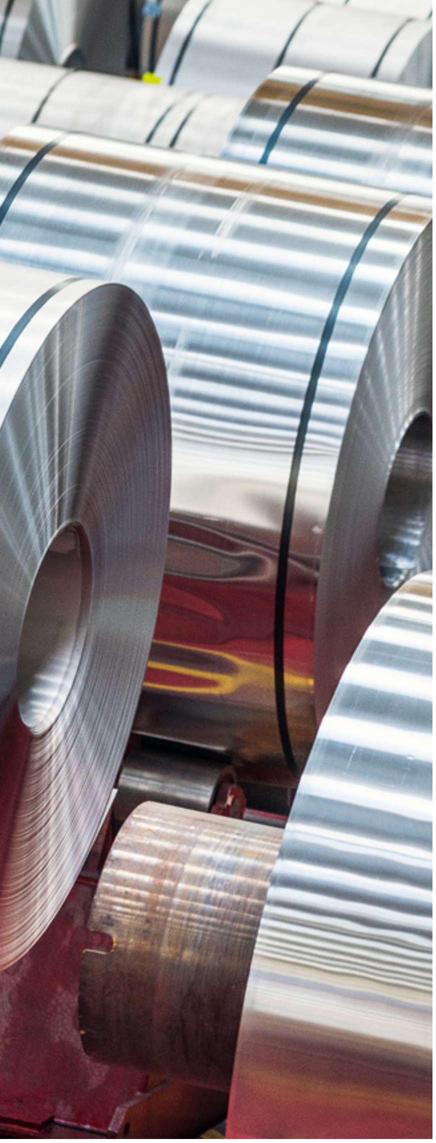

Aluminum, Platinum, and Palladium

Aluminum prices fluctuated significantly throughout 2020, plunging in the first half of the year largely due to the automotive industry taking a hit in production. While many industries relying on aluminum halted production and were restricted by various trade measures, there was an apparent demand for aluminum in medical devices. Prices averaged $.77/lb for the year, only falling 4.9% year-over-year, considering prices hit a four-year low in April. Average aluminum prices have more than recovered from pandemic shocks, seeing a $.91/lb monthly average as of December. [15]

Platinum prices also experienced increased volatility in 2020, hitting a 17-year low in March, then rebounding with a 4-year high in December. Prices fell sharply due to a lack of demand, particularly in the automotive sector. Platinum's largest demand continues to stem from diesel automobiles, although that is weakening due to higher demand for gasoline-powered vehicles. Another factor contributing to the metal's weaker demand is that palladium is currently being used as a substitute for platinum in catalytic converters.

Platinum is mostly used in diesel vehicles while palladium is used in gasoline-powered vehicles, but this has recently begun to shift with the substitution of platinum for palladium because of palladium's high price. The comeback of platinum in the second half of the year was due in part to the global economy recovering, heavily backed by a boost in China's car sales. The increased demand, paired with the largest supplier of platinum, South Africa, shutting down production, helped prices recover in the latter half of 2020. Another important factor that contributed to platinum's comeback was a weaker U.S. dollar. [16]

While palladium also took a dive due to the global pandemic, prices quickly recovered and surged past 2019 prices. The decline in demand from the automotive sector affected palladium, as approximately 80% of the metal's demand stems from the automotive industry, but the blow was not as severe as it was for other metals. This is the fifth year in a row that palladium prices have gone up, which is due to tight supply in South Africa and Russia and a continued high demand in catalytic converters. [17]

Aluminum -4.9%

Platinum 2.7%

Palladium 43.9%

[15] https://www.businesswire.com/news/home/20200512005466/en/COVID-19s-Impact-on-the-Aluminum-Industry---Aluminum-Prices-Have-Dropped-from-About-1820-Per-Ton-in-January-2020-to-14215.5-Per-Ton-on-April-8---ResearchAndMarkets.com

https://www.recyclingtoday.com/article/aluminum-price-lme-copper-covid-19/

[16] https://investingnews.com/daily/resource-investing/precious-metals-investing/platinum-investing/platinum-outlook/

https://www.cmegroup.com/education/articles-and-reports/is-automotive-demand-for-platinum-increasing-or-decreasing.html

[17] https://investingnews.com/daily/resource-investing/precious-metals-investing/palladium-investing/palladium-outlook/

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Used-Car Price Index

Wholesale prices experienced a rollercoaster over the course of 2020, beginning the year modestly, plummeting in March and April, and recovering in May. Prices peaked in August and fell slightly in Q4, but nonetheless remained high to finish the year. In December 2020, used-car prices were still nearly 10% greater than 2019 prices. The overall price increase is due to people avoiding public transportation and choosing used vehicles over new ones because of financial limitations. There has also been an uptick in online sales, as many consumers have decided to shop virtually instead of in-person. [18]

7.2%

USED-CAR PRICE INDEX

2019 Average 116

2020 Average 124

[18] https://www.cnbc.com/2020/10/15/used-car-boom-is-one-of-hottest-coronavirus-markets-for-consumers.html

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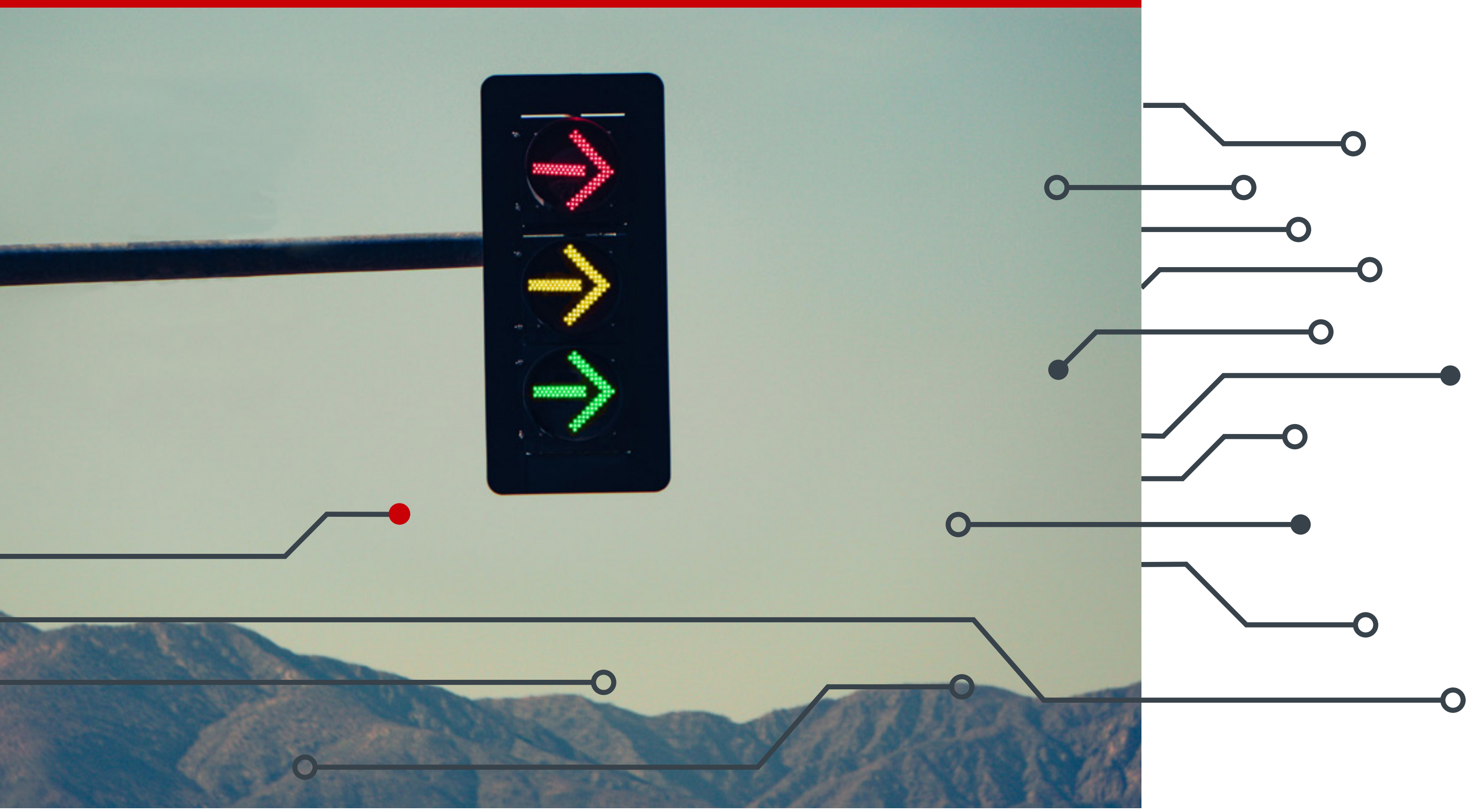
Section 4
Looking Forward



U.S. Economy: The Recovery Continues

The second half of 2020 saw the beginning of a global economic recovery, and experts expect the robust recovery to continue into 2021. The latest release from the Federal Reserve Survey of Professional Forecasters predicts U.S. real GDP growth of 4.5% on an annual-average over annual-average basis in 2021. This represents a half-percent increase from previous forecasts, reflecting growing optimism among economic forecasters. Along with strong economic growth, the unemployment rate is expected to fall to 5.1% by Q1 of 2022. However, forecasters did revise downward projections for non-farm payroll additions from 321,200 per month in 2021 to 223,400 to reflect ongoing structural challenges in the U.S. workforce. Unfortunately, elevated levels of uncertainty remain with the emergence of potential new strains of COVID-19 threatening a rise in cases and fresh lockdowns abroad. However, the global vaccine implementation is expected to help economies around the world remain on the path to recovery.[19]

[19] *https://www.philadelphiafed.org/surveys-and-data/real-time-data-research/spf-q1-2021*

Wall Street Journal Article: New Strains of COVID: https://www.wsj.com/articles/pfizer-and-biontech-studying-third-covid-19-vaccine-dose-to-fight-new-strains-11614253507

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New Vehicle Sales

The National Automotive Dealers Association (NADA) forecasts new vehicle sales of 15.5 million units in 2021. This represents approximately a 7% increase from the previous year, but is still 1.4 million units short of pre-pandemic sales of 16.9 million units in 2019. Even with recovering sales, automakers are facing serious supply chain disruptions in the form of a severe global shortage of microchips, which are integral to many automotive systems. This shortage has already begun to squeeze supply as Ford, GM, VW, Honda and others have been forced to cut production. Falling new vehicle supply should provide upward pressure on prices, potentially limiting sales growth in the coming year despite the current low-interest rate environment. [20]

Metals

As the global economic recovery continues and consumers become more comfortable traveling, metals with high-demand industrial applications are predicted by analysts to see prices rise in 2021. After a steady recovery from its March lows, palladium prices finished the year just shy of $2,400 per troy oz. Citigroup is currently forecasting palladium prices to rise to somewhere in the $2,800 to $3,000 range by Q3 2021. Rising palladium prices have the potential to increase demand for platinum as a substitute in catalytic converters and other automotive applications. Investors flocking to precious metals as hedges against inflation could also help push platinum prices higher as 2021 progresses. Aluminum prices are also expected to rise in 2021 with Fitch Solutions forecasting an average price of $1,850 per ton, which is an increase from 2020's average price of $1,731 per ton. However, Fitch recognizes that growing Chinese exports of the metal may limit price upside in the coming year. [21]

[20] https://www.wsj.com/articles/car-chip-shortage-ford-vw-gm-11613152294

https://www.nada.org/NADA-Economic-Analysis-of-2020-Auto-Sales/

[21] Fitch Solutions Aluminum Forecast: https://store.fitchsolutions.com/metals/bmi-aluminium-report

Citigroup Palladium Forecast: https://www.barrons.com/articles/the-commodity-bull-market-is-charging-why-citi-is-bright-on-palladium-51613066735

https://www.wsj.com/articles/platinum-jumps-on-inflation-concerns-propelled-by-broader-rally-11613137081

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Section 5
Canadian Commentary

Canada

Canada saw its largest-ever decline in GDP during 2020, down 5.1 percent year-over-year. The Canadian dollar was trading 0.5% higher at 1.2762 to the dollar, thanks to a boost from higher oil prices. As for the labor force, approximately 9.5% of Canadians were unemployed throughout 2020, which is a 66% increase compared to the previous year. [22]

Gasoline prices plummeted in the early months of 2020 but stabilized to about $3/gallon as a monthly average for the second half of the year. [23]

Approximately 1.54 million new cars and trucks were sold in Canada during the past year, which is a 19.7% decrease year-over-year, and the lowest level seen since the financial recession. While this is a dramatic change, auto sales were down 75% in April, meaning that the auto industry has at least begun the road to recovery. More consumers preferred light trucks in 2020, as they represented a record 79.9% of all car and truck sales in Canada. [24]

[22] *https://financialpost.com/news/economy/canada-economy-sees-biggest-gdp-drop-ever-in-2020-november-gdp-beats*

https://www.statista.com/statistics/578362/unemployment-rate-canada/

[23] *https://tradingeconomics.com/canada/gasoline-prices*

[24] *https://www.bnnbloomberg.ca/canadian-auto-sales-fell-19-7-in-2020-from-a-year-earlier-lowest-level-in-a-decade-1.1544778#:~:text=Jan%206%2C%20 2021-,Canadian%20auto%20sales%20fell%2019.7%25%20in%202020%20from%20a%20year,lowest%20level%20in%20a%20decade&text=DesRosiers%20 Automotive%20Consultants%20Inc.,the%2 lowest%20level%20since%202009*

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FORWARD-LOOKING STATEMENT

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 products, platforms, and locations discussed in this release 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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