EXHIBIT H

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

In re HONDA IDLE STOP LITIGATION

Case No. 2:22-cv-04252-MCS-SK

DECLARATION OF

LEE M. BOWRON

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I, Lee M. Bowron, ACAS, MAAA, hereby declare as follows:

1. I am a member of the American Academy of Actuaries ("MAAA") and meet its qualification standards for statements of actuarial opinion regarding extended service contract liabilities. I am also an Associate of the Casualty Actuarial Society ("ACAS"). I have worked as a professional actuary for over thirty years.

2. I co-founded the Kerper and Bowron LLC actuarial consulting firm on July 1, 2003, and I am currently a member/manager of the firm. Kerper and Bowron specializes in evaluating property and casualty exposures, including extended warranty, vehicle service contracts, GAP insurance, personal and commercial lines, and environmental reserving. Additionally, Kerper and Bowron and our affiliates are industry experts in providing reinsurance accounting, advanced analytics for the finance and insurance industry and statements of actuarial opinion. Further details regarding my qualifications are set forth in my current curriculum vitae, which is attached hereto as Appendix 2.

3. Kerper and Bowron LLC is being compensated for the time spent by me and my team at standard billing rates and for out-of-pocket expenses . Kerper and Bowron currently bills for our time at $525 per hour for a partner or credentialed actuary, $295 for a senior analyst, and $185 for a junior analyst. Kerper and Bowron LLC's fees are not in any way contingent upon the outcome of this matter.

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Purpose of Report

4. Class Counsel engaged Kerper and Bowron LLC to calculate the estimated economic value of the Settlement relief as outlined by the Settlement agreement in the In re Honda Idle Stop Litigation.

5. The Settlement resolves Plaintiffs' claims that Honda marketed and sold Honda vehicles equipped with a defective Idle Stop System, where under certain circumstances, after coming to a stop and engaging idle stop, a Class Vehicle's engine may not restart automatically ("AIS No-Restart"). AIS No-Restart can cause the affected vehicles to suddenly and without notice, become inoperable and undriveable wherever they rest, whether at a red light or stop sign, in the middle of an intersection while making a left-hand turn, or on an entrance ramp to a highway.

6. Specifically, we were engaged to calculate the estimated economic value of the Extended Claim Period and 10-year Extended Warranty for a valve adjustment and starter replacement related to AIS No-Restart, as set forth in the Amended TSBs (defined below).

Definitions

7. Settlement: Resolution provided to Class Members that consists of a valve adjustment and Replacement Starter for all Class Vehicles during the 10-year Extended Warranty and the Extended Claim Period when applicable.

8. Class Vehicles: The selected Honda and Acura vehicles as listed in the TSBs and confirmed by Honda's internal business records.

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9. Class Members: The current/future owners of the designated Class Vehicles

10. 10-year Extended Warranty: The section of the Settlement that provides valve adjustments and starter replacement related to AIS No-Restart for 10 years, measured from the original date of purchase of the Class Vehicle.

11. Extended Claim Period: An additional 18 or 24 months added to the end of the 10-year Extended Warranty for eligible Class Vehicles. 2015 model year Class Vehicles will receive an additional 24 months while 2016 model year Class Vehicles will receive an additional 18 months.

12. Replacement Starter: This refers to the A53 starters that were specifically reformulated and manufactured to address the defects in the original starters. The primary benefit of the Settlement consists of the free replacement of defective starters with this Replacement Starter.

13. Cost Plus Method: Estimates the anticipated cost of the Settlement by forecasting the expected repair costs and then adding typical expenses that are included in similar service contracts to provide a suggested retail price for the hypothetical service contract.

14. Factor to Adjust for Scrapped Vehicles: A factor to adjust for scrappage at a judgmental rate consistent with the average age of vehicles in the USA.[1]

15. Factor for Vehicles in Manufacturer's Warranty or above Settlement Period: An estimate that was made for vehicles in the manufacturers' warranty, in addition to vehicles

[1] See Exhibit IX.

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subject to 10 years for the Extended Warranty and/or an additional 18/24 months for the Extended Claim Period. This factor eliminates exposure for class vehicles that are ineligible for the settlement due to age or would have alternate relief from the manufacturers' warranty. This part was covered under a 36-month 36,000-mile warranty for Honda vehicles and a 48-month 50,000-mile warranty for Acura vehicles.[2]

16. Monthly Frequency: The assumed monthly frequency of completed repairs based on data and analysis provided by Honda as well as publicly available data.

17. Severity: The average cost of repair calculated using recent repair data and trended from the repair date based on Consumer Price Index.

18. Insurance Expenses: This reflects premium tax and a profit margin for the cost of capital.

19. Administrative Costs: Costs that account for settlement and other administrative expenses associated with writing and fulfilling service contracts.

20. Marketing Costs: Retail markup of the service contracts by the seller.

21. Retail Price Survey Method: Estimates the anticipated cost of the Settlement by collecting retail price quotes for automobile parts service contracts in the market and adjusting them based on the product price and term length for the warranty that would mirror the terms of the Settlement.

22. Warranty Cost Percent of Severity: The percentage of the product's original price that a warranty on that product will cost.

[2] See Exhibit VIII.

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23. Average Warranty Length: The average length in years from 2025 weighted by the sum of active monthly exposures in each year. This provides a basis for how long the warranty that would mirror the Settlement should be for the Retail Price Survey method.

Settlement Provisions

24. The Settlement provides for amendments to Acura Technical Service Bulletins ("TSBs") 22-0009 (2015-2020 TLX) and 23-002 (2016-2020 MDX), and Honda TSBs 23-009 (2019-21 Passport; 2016-2021 Pilot; 2020-21 Ridgeline), which removes all language in these bulletins reflecting or related to AIS No-Restart symptom verification or duplication as a precondition to receiving the repairs described therein ("Amended TSBs"). The Amended TSBs, dated July 7, 2025, were disseminated to all Authorized Honda Dealerships and Authorized Acura Dealerships on July 8, 2025, for immediate implementation.

25. Under the Amended TSBs, the owners and lessees of Class Vehicles are entitled to prospective coverage (including parts and labor) for a valve adjustment and starter replacement for 10 years from the original date of purchase or lease of the Class Vehicles, plus any applicable Extended Claim Period. The primary benefit is the free replacement of the defective starter with the Replacement Starter, which are the A53 starters specifically reformulated and manufactured to address the defects in the original starters.

26. The Settlement provides for a warranty coverage extension for valve adjustment and starter replacement related to AIS No-Restart for 10 years, measured from the original

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date of purchase or lease of Class Vehicle, as set forth in the Amended TSBs ("Extended Warranty). The Extended Warranty provides coverage for repairs, including parts and labor, to the current and future owners and lessees of the 680,299 Class Vehicles. Of these Class Vehicles, there are 46,649 vehicles that have received a starter replacement already and will be analyzed separately. The remaining 633,650 Class Vehicles have not received the upgraded A53 starter ("Replacement Starter") for free under the superseded TSBs. This benefit travels with the Class Vehicles.

27. The Settlement provides an Extended Claim Period for 2015 Acura TLX and 2016 Acura MDX, Acura TLX, and Honda Pilot Class Vehicles. During the Extended Claim Period, a free valve adjustment and Upgraded Starter replacement related to the AIS No-Restart condition may be performed. For 2015 model year Acura TLX Class Vehicles, the Extended Claim Period is an additional twenty-four (24) month period after the expiration of the Warranty Period for each such vehicle. For 2016 model year Acura MDX, Acura TLX, and Honda Pilot Class Vehicles, the Extended Claim Period is an additional eighteen (18) month period after the expiration of the 10-year Extended Warranty period for each such vehicle. There are a total of 83,976 Class Vehicles that are subject to the Extended Claim Period. Of these Class Vehicles, there are 5,049 that have received a starter replacement already and will be analyzed separately. The remaining 78,927 have not received the upgraded A53 starter.

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28. The Extended Claim Period is summarized in the table below:

Figure 1

Extended Claim Period

Vehicle	Additional Months
2015 Acura TLX	24
2016 Honda Pilot	18
2016 Acura TLX	18
2016 Acura MDX	18

29. The Extended Warranty applies to all the 680,299 Class vehicles that were listed in the TSBs:

Figure 2

Make	Model Years	Model	Vehicles
HONDA	2016-2021	PILOT	337,936
ACURA	2016-2020	MDX	162,093
HONDA	2019-2021	PASSPORT	97,916
HONDA	2020-2021	RIDGELINE	44,645
ACURA	2015-2020	TLX	37,709

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30. Additionally, Class Members may submit claims for reimbursement of out-of-Pocket Expenses related to AIS No-Restart repairs. This benefit is supplemental to the benefits provided by the Amended TSBs, Extended Warranty, and Extended Claim Period and is therefore outside the scope of, and unconsidered within, this report.

31. Plaintiffs filed an unopposed motion for preliminary approval of a class action settlement. (Mot., ECF No. 245.) The granted preliminary approval of the Settlement without oral argument. (Mins., ECF No. 247.)

Executive Summary

32. The estimated economic benefit of the settlement is $269.1 million.[3] The benefit for the Class Vehicles that have not received a replacement starter yet is $261.6 million, which includes $11.6 million for the Extended Claim Period. The benefit for Class Vehicles that have received a replacement starter already is $7.5 million. This is an average expected benefit of $395.56 per Class Vehicle. This is an average expected benefit of $412.91 per Class Vehicle that has not received a replacement starter yet and $160.02 per Class Vehicle that has received a replacement starter already.

Data Analyzed

33. Please see Appendix 1 for the data analyzed.

Methodology

34. To provide an economic valuation of the settlement, we have estimated the retail cost for the Extended Warranty and Extended Claim as noted above for Class Vehicles.

[3] See Exhibit I

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This would be the expected retail price of a service contract with the same coverage as the Settlement.

36. We utilized two methods to estimate the cost, the "Cost Plus" method and the "Retail Price Survey." The "Cost Plus" method forecasts the expected repair costs from the Settlement terms and then adds typical expenses for a similar service contract to form a suggested retail price for the service contract. Second, we performed a "Retail Price Survey" and analyzed service contracts for similar parts and adjusted these prices for the term and benefits of the Settlement. The "Cost Plus" method is applied to the 633,650 Class Vehicles that have not yet received the starter replacement whereas the "Retail Price Survey" method is applied to the 46,649 Class Vehicles that have already received a starter replacement.

"Cost Plus" Method

35. The equation used to estimate forecasted repair costs using the "Cost Plus" method is:

Equation 1

$$\begin{aligned} &Class\ Benefit \\ &= Class\ Vehicles \times Factor\ to\ Adjust\ for\ Scrapped\ Vehicles \\ &\times Factor\ for\ Vehicles\ in\ Manufacturer's\ Warranty\ or\ above\ Settlement\ Period \\ &\times Monthly\ Frequency \times Severity \end{aligned}$$

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a. "Class Vehicles" are the selected Honda and Acura vehicles as listed in the TSBs and confirmed by Honda's internal business records.

b. "Factor to Adjust for Scrapped Vehicles" is explained above in Definitions.[4]

c. "Factor for Vehicles In Manufacturer's Warranty or above Settlement Period" is derived from lognormal distribution curves for different term lengths and is explained more thoroughly above in Definitions. This factor accounts for reduced exposure for the vehicles expected not to qualify for the settlement provisions. [5]

d. "Monthly Frequency" is selected based on data and analysis provided by Honda as well as judgment. A starter is expected to fail after approximately 7-10 years.[6] However, this part is defective. The AIS No-Restart issue continuing after the updated software is implemented indicates this. The proposed software update that Honda implemented fails to alleviate the AIS No-Restart issue 37% of the time.[7] This was the most effective estimate of the software update from all of the reviewed reports.[8] The Settlement provides a replacement starter upon request even if the problem cannot be duplicated. Ultimately, we selected a 10-year rate of 25% frequency of replacing the starter (which implies a "Monthly Frequency" of 0.1861%).[9] The effective frequency for the class from 6/9/2025 until the end of the

[4] See Exhibit IX.
[5] See Exhibit VIII.
[6] solutioncontrols.ca/blog/useful-tips-for-extending-the-lifespan-of-starter-motor/
[7] AHM ESI-0050820.
[8] AHM-ESI-0037862, AHM-ESI-0050667, and AHM-ESI-0118812.
[9] See Exhibit V.

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settlement period is 8.3%. This frequency is applied uniformly throughout the settlement period. Claims will decrease in later years due to declining exposures.

e. "Severity" was calculated using recent repair data. Severities were trended 6% each year based on Consumer Price Index data on motor vehicle maintenance and repair.[10]

Figure 3

Estimated Average Cost of Repair	
Part costs per Napa, Labor hours per Recall	934
Claim Data	1,914
Current Estimated Severity	1,424
Selected Severity	1,420

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36. Equation 1 results in total forecasted repair expenses of $85.96 million for Class Vehicles that have not received the benefit yet, with an additional $3.98 million for those within the Extended Claim Period. All claims are expected before the end of 2031, which is 10 years after assumed final original date of purchase of class vehicles as defined in the Settlement.[11]

37. The equation for the retail cost is based on adding typical expenses for the administration, claims, and marketing expenses for a typical service contract. These

[10] See Exhibit IV, Exhibit VI and Exhibit X
[11] See Exhibit IV.

expenses would be indicative of expense loads to form a suggested retail price for a service contract with these benefits. These costs would not be the same as the administration and settlement costs of this settlement.

38. Our estimate for the economic value of the Settlement using the "Cost Plus" method is given by the following equation:

Equation 1

$$\frac{Expected\ Repair\ Costs}{(1 - Insurance\ Expenses)} + Administrative\ Costs + Marketing\ Costs$$

a. "Expected Repair Costs" are calculated via Equation 1.

b. "Insurance Expenses" are relatively small and reflect premium tax and a profit margin for the cost of capital. The amount selected was 12%. This is a low expense ratio based on publicly available filings.[12]

c. "Administrative Costs" are estimated to be an average of $45.16 per Class Vehicle that has not received the benefit yet. These expenses are consistent with other types of programs for small service contracts. This aggregate cost was calculated by multiplying the sum of expected claim costs and expected insurance costs by 28%.[13]

d. "Marketing Costs" on these programs by auto dealers or service contract writers vary widely but are usually around 100%.[14] Often the markups are a

[12] See Exhibit VII.
[13] See Exhibit VII.
[14] See Exhibit VII.

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flat fee and since the service contract cost is low, we have selected a 100% markup on loss cost and administrator cost.[15]

Figure 4

"Cost-Plus" Summary (000s) Class Vehicles that have not received replacement yet	
Class Vehicles (000s)	634
Expected Claims	89,938
Additional Expenses	171,699
Total Benefit	261,637

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"Retail Survey" Method

39. The "Retail Survey" method is an alternative approach in which we collected retail price quotes for automobile parts service contracts and adjusted them based on the terms of the settlement. This method is only applicable towards non-defective parts and thus is only applied to the 46,649 Class Vehicles that have already received a starter replacement.

40. Our estimate for the economic value of the Settlement using the "Retail Survey" method is given by the following equation:

[15] See Exhibit VII

Equation 3

$$Class\ Vehicles \times Severity \times Warranty\ Cost\ Percent\ of\ Severity$$

a. "Class Vehicles" are the selected Honda and Acura vehicles as listed in the TSBs and confirmed by Honda's internal business records.

b. "Severity" is determined using recent repair cost data. These values were trended forward at an annual rate of 6% based on Consumer Price Index data for motor vehicle maintenance and repair, and applied over the estimated time until a claim occurs.[16] To calculate this claim timing, we first estimated the Average Warranty Length by taking a weighted average of active monthly exposures and the duration from 2025, which resulted in an Average Warranty Length of 4.1 years (or 49.2 months). Assuming claims occur evenly over the warranty period, the average time until a claim is half of the warranty length, approximately 24.6 months. Therefore, "Severity" is trended forward at an annual rate of 6% over 24.6 months.

c. "Warranty Cost Percent of Severity" is determined from several surveyed examples of retail protection plans. Although extended warranties for individual parts beyond a few years are not widely offered, we surveyed several examples of shorter-term and lifetime warranties on starters with varying warranty lengths. For each example, we calculated the "Warranty Cost Percent of Severity" by dividing the warranty cost at checkout by the

[16] See Exhibit II, Exhibit VI and Exhibit X

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product price. This gave us a range of warranty terms and corresponding "Warranty Cost Percent of Severity" values currently available in the market. Using a simple linear relationship, we then estimated the "Warranty Cost Percent of Severity" for a warranty aligned with the Settlement terms, for which we use our estimated Average Warranty Length of 4.1 years. This analysis produced an implied "Warranty Cost Percent of Severity" of 14.1% from which we selected a "Warranty Cost Percent of Severity" of 10%.

Figure 5

Retail Survey of Service Contracts	
Class Vehicles	46,649
Total Benefit Retail Survey (000s)	7,465

41. We selected the "Cost Plus" method for the 633,650 Class Vehicles that have not received replacement starters yet and the "Retail Survey" method for the 46,649 Class Vehicles that have already received a replacement starters to form an estimate of the benefit at $269.1 million. We estimate the benefit per owner/lessee is $395.56 for Class Vehicles.

Range of Results

42. As this is a point estimate and the actual results are subject to deviation, we formed a range of reasonable estimates. This does not mean that the actual results will be within this range, rather the expected value of the qualified repairs of the program can be

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reasonably ascertained within this range. For the estimated settlement benefits, we applied a range of +/-20% to our estimate of the value of each component of the Settlement.

Scope and Limitations

43. Data Reliance - In performing this analysis, we relied upon data and other information provided to us by Class Counsel and Honda, as well as industry sources of data. We have no reason to believe it is inaccurate or incomplete and did not find material defects in the data.

44. Significant Digits - Numbers in the exhibits are generally shown to more significant digits than their accuracy suggests. This has been done to simplify review of the calculations.

45. Best Estimate - These caveats and limitations notwithstanding, the conclusions represent our best estimate of the benefits from the settlement and are made within a reasonable degree of actuarial probability or certainty.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: March 23, 2026

Respectfully submitted,

Lee M. Bowron

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Appendix 1 – Exhibits

In Re Honda Idle Stop Litigation

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In re Honda Idle Stop Litigation

Total Estimated Class Benefit (000s)

		Class Vehicles: Original Starters			Class Vehicles: Replaced Starters	All Class Vehicles
		Extended Claim Period	10 Year Warranty Coverage Extension	Total	Total	Total
(1)	Vehicles in Class	78,927	633,650	633,650	46,649	680,299
(2)	Expected Repairs (000s)	3,977	85,961	89,938	n/a	n/a
(3)	Expected Total Benefit (000s)	11,570	250,067	261,637	7,465	269,102
(4)	Expected Cost Per Member	146.59	394.65	412.91	160.02	395.56
(5)	Class Benefit Low End of Range (000s)	9,256	200,054	209,310	5,972	215,282
(6)	Class Benefit High End of Range (000s)	13,884	300,081	313,965	8,958	322,922

(2) Col (5), Ex IV
(3) Row (7), Ex III; Row (6), Ex II
(4) (5) ÷ (1)
(5) 80% of (5)
(6) 120% of (5)

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In re Honda Idle Stop Litigation

Development of Retail Estimate
Class Vehicles - "Retail Survey Method"

	Model	Class Vehicles
(1)	Vehicles in Class	46,649
(2)	Average Months until Claim	24.6
(3)	Trend Factor	1.13
(4)	Trended Severity	1,600
(5)	Selected Percent of Product Price	10%
(6)	Estimated Retail Price for Class Vehicles with New Part (000s)	7,465

(2) [Selected Warranty Length (Ex II Page 2 (5))] ÷ 2
(3) [1 + Inflation (Ex III (10))] ^ ((2) / 12)
(4) Ex IVI Selection x (3)
(5) Ex II Page 2 Selection
(6) [(1) x (4) x (5)] ÷ 1000

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In re Honda Idle Stop Litigation

Development of Retail Estimate
Class Vehicles - "Retail Survey Method"

Example	(1) Product Price	(2) Length	(3) Warranty Cost	(4) Percent of Product Price
1	319.99	12	29.99	9.4%
2	360.40	12	39.99	11.1%
3	101.97	36	14.95	14.7%
4	136.95	36	17.95	13.1%
5	271.41	60	40.71	15.0%
6	315.41	60	47.31	15.0%
7	271.41	180	67.85	25.0%
8	541.41	180	135.35	25.0%

(5)	Selected Warranty Length	49.2
(6)	Implied Percent of Product Price	14.1%
(7)	Selected Percent of Product Price	10.0%

(2) Length of Extended Warranty offered at checkout
(3) Price of Extended Warranty offered at checkout
(4) (3) ÷ (1)
(5) Weighted Average of Ex III (1)
(6) Estimate of (5) Based on Linear Relationship Between (2) and (4)
(7) Selected

Price References

(1).1 https://www.ebay.com/itm/256832316670
(1).2 https://www.ebay.com/itm/226368776742
(1).3 https://www.partsgeek.com/ss/?i=1&ssq=1-10912
(1).4 https://www.partsgeek.com/ss/?i=1&ssq=APSTR480
(1).5 https://www.buyautoparts.com/buynow/2019/acura/mdx/starter/30-07665-ar
(1).6 https://www.buyautoparts.com/buynow/2020/acura/tlx/starter/30-07666-ar
(1).7 https://www.buyautoparts.com/buynow/2019/acura/mdx/starter/30-07665-ar
(1).8 https://www.buyautoparts.com/buynow/2019/honda/pilot/starter/30-07541-ar

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In re Honda Idle Stop Litigation

Development of Expected Extended Warranty on Class Vehicles
Class Vehicles - Extended Claim Period
Model Years 2015-2016

	Model	Class Vehicles
(1)	Vehicles in Class	78,927
(2)	Expected Costs (000s)	3,977
(3)	Insurance Costs (000s)	542
(4)	Administrative Cost per Warranty	16.03
(5)	Administrative Costs (000s)	1,265
(6)	Retail Markup (000s)	5,785
(7)	Benefit per Extended Class Member	146.59
(8)	Method 1 - Cost Plus Estimate (000s)	11,570

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(2) Total from Ex IV.A
(3) [(2) ÷ [1 - Ex VII (1) Selection]] - (2)
(4) [(2) + (3)] x 1000 ÷ (1) x Ex VII (2) Selection
(5) (4) x (1) ÷ 1000
(6) [(2) + (3) + (5)] x Ex VII (3) Selection
(7) (8) ÷ (1)
(8) (2) + (3) + (5) + (6)

In re Honda Idle Stop Litigation

Development of Expected Extended Warranty on Class Vehicles
Class Vehicles

	Model	Class Vehicles
(1)	Vehicles in Class	633,650
(2)	Expected Costs (000s)	85,961
(3)	Insurance Costs (000s)	11,722
(4)	Administrative Cost per Warranty	43.16
(5)	Administrative Costs (000s)	27,351
(6)	Retail Markup (000s)	125,034
(7)	Benefit per Class Member	394.65
(8)	Method 1 - Cost Plus Estimate (000s)	250,067

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(2) Total from Ex IV.B
(3) [(2) ÷ [1 - Ex VII (1) Selection]] - (2)
(4) [(2) + (3)] x 1000 ÷ (1) x Ex VII (2) Selection
(5) (4) x (1) ÷ 1000
(6) [(2) + (3) + (5)] x Ex VII (3) Selection
(7) (8) ÷ (1)
(8) (2) + (3) + (5) + (6)

In re Honda Idle Stop Litigation

Development of Claim Estimate
Class Vehicles - Extended Claim Period
Model Years 2015-2016

Beginning UIO	78,927

Year	(1) Active Monthly Exposures (000s)	(2) Settlement Monthly Exposures (000s)	(3) Estimated Claims	(4) Severity	(5) Claims (000s)
2025	471	106	197	1,420	280
2026	916	622	1,158	1,505	1,742
2027	870	574	1,068	1,596	1,704
2028	813	79	146	1,691	248
2029	752	1	2	1,793	3
Total	3,820	1,381	2,571		3,977

(6) Extended Class Frequency 3.3%

(7)	10 Year Frequency	25.0%
(8)	Monthly Frequency	0.1861%
(9)	Severity	$1,420
(10)	Inflation	6.0%

(1) Monthly Exposures x Scrappage Rate Capped at Extended Claim Period Expiration
(2) Active Monthly Exposures x Ex VIII Col (5) using estimated vehicle age
(3) (2) x Monthly Frequency
(4) Prior Year Severity x (1 + Inflation)
(5) (3) x (4)
(6) Total Col (3) x 1000 ÷ Class Vehicles
(7) Row (11), Ex V
(8) [[1 + (7)] ^ 120] - 1
(9) Row (4), Ex VI
(10) Row (3), Ex X

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In re Honda Idle Stop Litigation

Development of Claim Estimate
Class Vehicles

	Beginning UIO	633,650

	(1)	(2)	(3)	(4)	(5)
Year	Active Monthly Exposures (000s)	Settlement Monthly Exposures (000s)	Estimated Claims	Severity	Claims (000s)
2025	3,789	3,682	6,853	1,420	9,731
2026	7,473	6,836	12,724	1,505	19,152
2027	7,302	6,059	11,278	1,596	17,995
2028	7,088	5,209	9,695	1,691	16,397
2029	6,831	3,987	7,421	1,793	13,304
2030	6,524	2,316	4,310	1,900	8,190
2031	6,159	318	592	2,014	1,192
Total	45,166	28,407	52,873		85,961

		(6)	Class Frequency	8.3%
(7)	10 Year Frequency	25.0%		
(8)	Monthly Frequency	0.1861%		
(9)	Severity	$1,420		
(10)	Inflation	6.0%		

(1) Monthly Exposures x Scrappage Rate Capped at 10 Years
(2) Active Monthly Exposures x Ex VIII Col (5) using estimated vehicle age
(3) (2) x Monthly Frequency
(4) Prior Year Severity x (1 + Inflation)
(5) (3) x (4)
(6) Total Col (3) x 1000 ÷ Class Vehicles
(7) Row (11), Ex V
(8) [[1 + (7)] ^ 120] - 1
(9) Row (4), Ex VI
(10) Row (3), Ex X

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In re Honda Idle Stop Litigation
Development of Severity Estimate
Frequency

	Model	Class Vehicles
(1)	TLX Starter Replacement Frequency	37.0%
(2)	Honda Recall Completion Rate	68.4%
(3)	Implied Starter Replacement Frequency	25.3%
(4)	**Selected Frequency**	**25.00%**

(1) AHM ESI-0050820 correspondence
(2) NHTSA Recalls by Manufacturer since 2015, weighted by affected vehicle count
(3) (1) x (2)
(4) Selected

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In re Honda Idle Stop Litigation
Development of Severity Estimate
Starter Replacement Costs

		Labor			Parts			TOTAL		
		Low	High	Average	Low	High	Average	Low	High	Average
(1)	**Part costs per Napa, Labor hours per Recall**	**356**	**425**	**390**	**334**	**840**	**534**	**690**	**1,265**	**934**
	MDX	356	425	400	334	840	564	690	1,265	964
	Passport	356	425	400	334	840	564	690	1,265	964
	Pilot	356	425	400	334	840	481	690	1,265	881
	Ridgeline	356	425	400	334	840	564	690	1,265	964
	TLX	356	425	400	334	840	499	690	1,265	899
(2)	**Claim Data**	**470**	**1,336**	**1,027**	**767**	**1,254**	**999**	**1,238**	**2,590**	**1,914**
	MDX	562	1,356	1,014	840	1,384	822	1,402	2,741	2,071
	Passport	716	1,240	1,006	993	1,099	1,033	1,709	2,338	2,024
	Pilot	259	1,246	1,059	574	1,326	703	833	2,572	1,702
	Ridgeline	549	1,335	979	729	1,078	1,222	1,278	2,413	1,846
	TLX	266	1,501	1,078	700	1,384	1,217	966	2,885	1,925
(3)	Average							$964	$1,927	$1,424

(4)	Selection for Class Vehicles	$1,420
(5)	Future Inflation Rate Assumption	6.0%

(1) Based on Napa Parts and Labor Hour Rates in Recall Trended to Date, First Row Averages of Following Rows
(2) Based on Warranty Data Provided by Honda Trended to Date, First Row Averages of Following Rows
(3) Average of First Rows of (1) and (2)
(4) Selected
(5) Ex X Selection

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In re Honda Idle Stop Litigation
Support for Additional Expenses

	Additional Expense	Indicated	Selected
(1)	Expense Ratio	11.5% - 24.6%	12.0%
(2)	Administrative Costs	28%	28%
(3)	Marketing Costs	100%	100%

(1).a SERFF Tracking #: VRGS-128990060 which is a Missouri filing for a service contract with a 75.4% permissible loss ratio
(1).b SERFF Tracking #: MACI-129040192 which is an Oklahoma filing for a service contract with an 81.0% permissible loss ratio.
(1).c SERFF Tracking #: LDDX-131615013 which is an Ohio filing for a service contract with an 88.5% permissible loss ratio.
(1).d SERFF Tracking #: PERR-131611897 which is a Texas filing for a service contract with an 81.0% permissible loss ratio.
(2) greenprofitsolutions.com/blog/pros-cons-vehicle-service-contract-programs-credit-unions
(3) swer.wtamu.edu/sites/default/files/Data/37-52-33-113-1-PB.pdf

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In re Honda Idle Stop Litigation
Development of Exposure Curve
Class Vehicles

Mean	6.828
Std Dev	0.615

Months	(1) 36 Month / 36,000 Miles Exposure Curve	(2) 48 Month / 50,000 Miles Exposure Curve	(3) Blended Curve	(4) 10 Year / Unlimited Curve	(5) 11.5 Year / Unlimited Curve	(6) 12 Year / Unlimited Curve	(7) 10 Year Class Vehicles Exposure Curve	(8) 18 month Extension Exposure Curve	(9) 24 month Extension Exposure Curve
1	1.000	1.000	1.000	1.000	1.000	1.000	0.000	0.000	0.000
2	1.000	1.000	1.000	1.000	1.000	1.000	0.000	0.000	0.000
3	1.000	1.000	1.000	1.000	1.000	1.000	0.000	0.000	0.000
4	1.000	1.000	1.000	1.000	1.000	1.000	0.000	0.000	0.000
5	1.000	1.000	1.000	1.000	1.000	1.000	0.000	0.000	0.000
6	0.999	1.000	0.999	1.000	1.000	1.000	0.001	0.001	0.001
7	0.997	1.000	0.998	1.000	1.000	1.000	0.002	0.002	0.002
8	0.995	0.999	0.996	1.000	1.000	1.000	0.004	0.004	0.004
9	0.991	0.998	0.994	1.000	1.000	1.000	0.006	0.006	0.006
10	0.986	0.997	0.990	1.000	1.000	1.000	0.010	0.010	0.010
11	0.980	0.995	0.985	1.000	1.000	1.000	0.015	0.015	0.015
12	0.972	0.993	0.979	1.000	1.000	1.000	0.021	0.021	0.021
13	0.963	0.990	0.971	1.000	1.000	1.000	0.029	0.029	0.029
14	0.952	0.986	0.963	1.000	1.000	1.000	0.037	0.037	0.037
15	0.940	0.982	0.953	1.000	1.000	1.000	0.047	0.047	0.047
16	0.926	0.976	0.942	1.000	1.000	1.000	0.058	0.058	0.058
17	0.911	0.970	0.930	1.000	1.000	1.000	0.070	0.070	0.070
18	0.895	0.963	0.917	1.000	1.000	1.000	0.083	0.083	0.083
19	0.879	0.956	0.903	1.000	1.000	1.000	0.097	0.097	0.097
20	0.861	0.947	0.888	1.000	1.000	1.000	0.112	0.112	0.112
21	0.843	0.938	0.873	1.000	1.000	1.000	0.127	0.127	0.127
22	0.824	0.928	0.857	1.000	1.000	1.000	0.143	0.143	0.143
23	0.804	0.918	0.840	1.000	1.000	1.000	0.160	0.160	0.160
24	0.785	0.907	0.823	1.000	1.000	1.000	0.177	0.177	0.177
25	0.765	0.895	0.806	1.000	1.000	1.000	0.194	0.194	0.194
26	0.745	0.883	0.789	1.000	1.000	1.000	0.211	0.211	0.211

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In re Honda Idle Stop Litigation
Development of Exposure Curve
Class Vehicles

Mean	6.828
Std Dev	0.615

Months	(1) 36 Month / 36,000 Miles Exposure Curve	(2) 48 Month / 50,000 Miles Exposure Curve	(3) Blended Curve	(4) 10 Year / Unlimited Curve	(5) 11.5 Year / Unlimited Curve	(6) 12 Year / Unlimited Curve	(7) 10 Year Class Vehicles Exposure Curve	(8) 18 month Extension Exposure Curve	(9) 24 month Extension Exposure Curve
27	0.725	0.871	0.771	1.000	1.000	1.000	0.229	0.229	0.229
28	0.705	0.858	0.753	1.000	1.000	1.000	0.247	0.247	0.247
29	0.685	0.845	0.735	1.000	1.000	1.000	0.265	0.265	0.265
30	0.665	0.831	0.717	1.000	1.000	1.000	0.283	0.283	0.283
31	0.645	0.818	0.700	1.000	1.000	1.000	0.300	0.300	0.300
32	0.626	0.804	0.682	1.000	1.000	1.000	0.318	0.318	0.318
33	0.607	0.790	0.664	1.000	1.000	1.000	0.336	0.336	0.336
34	0.588	0.775	0.647	1.000	1.000	1.000	0.353	0.353	0.353
35	0.570	0.761	0.630	1.000	1.000	1.000	0.370	0.370	0.370
36	0.000	0.746	0.235	1.000	1.000	1.000	0.765	0.765	0.765
37	0.000	0.732	0.231	1.000	1.000	1.000	0.769	0.769	0.769
38	0.000	0.718	0.226	1.000	1.000	1.000	0.774	0.774	0.774
39	0.000	0.703	0.222	1.000	1.000	1.000	0.778	0.778	0.778
40	0.000	0.689	0.217	1.000	1.000	1.000	0.783	0.783	0.783
41	0.000	0.674	0.213	1.000	1.000	1.000	0.787	0.787	0.787
42	0.000	0.660	0.208	1.000	1.000	1.000	0.792	0.792	0.792
43	0.000	0.646	0.204	1.000	1.000	1.000	0.796	0.796	0.796
44	0.000	0.632	0.199	1.000	1.000	1.000	0.801	0.801	0.801
45	0.000	0.618	0.195	1.000	1.000	1.000	0.805	0.805	0.805
46	0.000	0.604	0.191	1.000	1.000	1.000	0.809	0.809	0.809
47	0.000	0.591	0.186	1.000	1.000	1.000	0.814	0.814	0.814
48	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
49	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
50	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
51	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
52	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000

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In re Honda Idle Stop Litigation
Development of Exposure Curve
Class Vehicles

Mean	6.828
Std Dev	0.615

Months	(1) 36 Month / 36,000 Miles Exposure Curve	(2) 48 Month / 50,000 Miles Exposure Curve	(3) Blended Curve	(4) 10 Year / Unlimited Curve	(5) 11.5 Year / Unlimited Curve	(6) 12 Year / Unlimited Curve	(7) 10 Year Class Vehicles Exposure Curve	(8) 18 month Extension Exposure Curve	(9) 24 month Extension Exposure Curve
53	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
54	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
55	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
56	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
57	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
58	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
59	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
60	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
61	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
62	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
63	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
64	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
65	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
66	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
67	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
68	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
69	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
70	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
71	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
72	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
73	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
74	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
75	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
76	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
77	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
78	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000

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In re Honda Idle Stop Litigation
Development of Exposure Curve
Class Vehicles

Mean	6.828
Std Dev	0.615

Months	(1) 36 Month / 36,000 Miles Exposure Curve	(2) 48 Month / 50,000 Miles Exposure Curve	(3) Blended Curve	(4) 10 Year / Unlimited Curve	(5) 11.5 Year / Unlimited Curve	(6) 12 Year / Unlimited Curve	(7) 10 Year Class Vehicles Exposure Curve	(8) 18 month Extension Exposure Curve	(9) 24 month Extension Exposure Curve
79	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
80	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
81	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
82	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
83	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
84	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
85	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
86	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
87	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
88	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
89	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
90	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
91	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
92	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
93	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
94	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
95	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
96	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
97	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
98	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
99	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
100	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
101	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
102	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
103	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
104	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000

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In re Honda Idle Stop Litigation
Development of Exposure Curve
Class Vehicles

Mean	6.828
Std Dev	0.615

Months	(1) 36 Month / 36,000 Miles Exposure Curve	(2) 48 Month / 50,000 Miles Exposure Curve	(3) Blended Curve	(4) 10 Year / Unlimited Curve	(5) 11.5 Year / Unlimited Curve	(6) 12 Year / Unlimited Curve	(7) 10 Year Class Vehicles Exposure Curve	(8) 18 month Extension Exposure Curve	(9) 24 month Extension Exposure Curve
105	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
106	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
107	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
108	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
109	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
110	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
111	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
112	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
113	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
114	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
115	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
116	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
117	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
118	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
119	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000
120	0.000	0.000	0.000	0.000	1.000	1.000	0.000	1.000	1.000
121	0.000	0.000	0.000	0.000	1.000	1.000	0.000	1.000	1.000
122	0.000	0.000	0.000	0.000	1.000	1.000	0.000	1.000	1.000
123	0.000	0.000	0.000	0.000	1.000	1.000	0.000	1.000	1.000
124	0.000	0.000	0.000	0.000	1.000	1.000	0.000	1.000	1.000
125	0.000	0.000	0.000	0.000	1.000	1.000	0.000	1.000	1.000
126	0.000	0.000	0.000	0.000	1.000	1.000	0.000	1.000	1.000
127	0.000	0.000	0.000	0.000	1.000	1.000	0.000	1.000	1.000
128	0.000	0.000	0.000	0.000	1.000	1.000	0.000	1.000	1.000
129	0.000	0.000	0.000	0.000	1.000	1.000	0.000	1.000	1.000
130	0.000	0.000	0.000	0.000	1.000	1.000	0.000	1.000	1.000

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In re Honda Idle Stop Litigation
Development of Exposure Curve
Class Vehicles

Mean	6.828
Std Dev	0.615

Months	(1) 36 Month / 36,000 Miles Exposure Curve	(2) 48 Month / 50,000 Miles Exposure Curve	(3) Blended Curve	(4) 10 Year / Unlimited Curve	(5) 11.5 Year / Unlimited Curve	(6) 12 Year / Unlimited Curve	(7) 10 Year Class Vehicles Exposure Curve	(8) 18 month Extension Exposure Curve	(9) 24 month Extension Exposure Curve
131	0.000	0.000	0.000	0.000	1.000	1.000	0.000	1.000	1.000
132	0.000	0.000	0.000	0.000	1.000	1.000	0.000	1.000	1.000
133	0.000	0.000	0.000	0.000	1.000	1.000	0.000	1.000	1.000
134	0.000	0.000	0.000	0.000	1.000	1.000	0.000	1.000	1.000
135	0.000	0.000	0.000	0.000	1.000	1.000	0.000	1.000	1.000
136	0.000	0.000	0.000	0.000	1.000	1.000	0.000	1.000	1.000
137	0.000	0.000	0.000	0.000	1.000	1.000	0.000	1.000	1.000
138	0.000	0.000	0.000	0.000	0.000	1.000	0.000	0.000	1.000
139	0.000	0.000	0.000	0.000	0.000	1.000	0.000	0.000	1.000
140	0.000	0.000	0.000	0.000	0.000	1.000	0.000	0.000	1.000
141	0.000	0.000	0.000	0.000	0.000	1.000	0.000	0.000	1.000
142	0.000	0.000	0.000	0.000	0.000	1.000	0.000	0.000	1.000
143	0.000	0.000	0.000	0.000	0.000	1.000	0.000	0.000	1.000
144	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
145 - 323	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

(1) Lognormal Distribution Based on 36 Months and 36,000 Miles (Manufacturers' Warranty for Honda Vehicles)
(2) Lognormal Distribution Based on 48 Months and 50,000 Miles (Manufacturers' Warranty for Acura Vehicles)
(3) Weighted Average of (1) and (2) based on the Class Vehicles Distribution of Hondas and Acuras
(4) Lognormal Distribution Based on 120 Months and Unlimited Miles (10-year Extended Warranty)
(5) Lognormal Distribution Based on 138 Months and Unlimited Miles (10-year Extended Warranty + Extended Claim Period for 2016 Model Years)
(6) Lognormal Distribution Based on 144 Months and Unlimited Miles (10-year Extended Warranty + Extended Claim Period for 2015 Model Years)
(7) (4) - (3)
(8) (5) - (3)
(9) (6) - (3)

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In re Honda Idle Stop Litigation
Development of Scrappage Rate
Class Vehicles

Month	(1) Scrap Rate	(2) Vehicles Remaining
1	0.016%	100.0%
2	0.016%	100.0%
3	0.016%	100.0%
4	0.016%	99.9%
5	0.016%	99.9%
6	0.016%	99.9%
7	0.016%	99.9%
8	0.016%	99.9%
9	0.016%	99.9%
10	0.016%	99.8%
11	0.016%	99.8%
12	0.016%	99.8%
13	0.023%	99.8%
14	0.023%	99.8%
15	0.023%	99.7%
16	0.023%	99.7%
17	0.023%	99.7%
18	0.023%	99.7%
19	0.023%	99.6%
20	0.023%	99.6%
21	0.023%	99.6%
22	0.023%	99.6%
23	0.023%	99.6%
24	0.023%	99.5%
25	0.033%	99.5%
26	0.033%	99.5%
27	0.033%	99.4%
28	0.033%	99.4%
29	0.033%	99.4%
30	0.033%	99.3%
31	0.033%	99.3%
32	0.033%	99.3%
33	0.033%	99.2%
34	0.033%	99.2%
35	0.033%	99.2%
36	0.033%	99.1%
37	0.053%	99.1%
38	0.053%	99.0%
39	0.053%	99.0%

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In re Honda Idle Stop Litigation
Development of Scrappage Rate
Class Vehicles

Month	(1) Scrap Rate	(2) Vehicles Remaining
40	0.053%	98.9%
41	0.053%	98.9%
42	0.053%	98.8%
43	0.053%	98.8%
44	0.053%	98.7%
45	0.053%	98.7%
46	0.053%	98.6%
47	0.053%	98.6%
48	0.053%	98.5%
49	0.081%	98.4%
50	0.081%	98.4%
51	0.081%	98.3%
52	0.081%	98.2%
53	0.081%	98.1%
54	0.081%	98.0%
55	0.081%	98.0%
56	0.081%	97.9%
57	0.081%	97.8%
58	0.081%	97.7%
59	0.081%	97.7%
60	0.081%	97.6%
61	0.104%	97.5%
62	0.104%	97.4%
63	0.104%	97.3%
64	0.104%	97.2%
65	0.104%	97.1%
66	0.104%	97.0%
67	0.104%	96.9%
68	0.104%	96.8%
69	0.104%	96.7%
70	0.104%	96.6%
71	0.104%	96.5%
72	0.104%	96.4%
73	0.137%	96.2%
74	0.137%	96.1%
75	0.137%	96.0%
76	0.137%	95.8%
77	0.137%	95.7%
78	0.137%	95.6%

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In re Honda Idle Stop Litigation
Development of Scrappage Rate
Class Vehicles

Month	(1) Scrap Rate	(2) Vehicles Remaining
79	0.137%	95.4%
80	0.137%	95.3%
81	0.137%	95.2%
82	0.137%	95.1%
83	0.137%	94.9%
84	0.137%	94.8%
85	0.170%	94.6%
86	0.170%	94.5%
87	0.170%	94.3%
88	0.170%	94.2%
89	0.170%	94.0%
90	0.170%	93.8%
91	0.170%	93.7%
92	0.170%	93.5%
93	0.170%	93.4%
94	0.170%	93.2%
95	0.170%	93.0%
96	0.170%	92.9%
97	0.200%	92.7%
98	0.200%	92.5%
99	0.200%	92.3%
100	0.200%	92.1%
101	0.200%	92.0%
102	0.200%	91.8%
103	0.200%	91.6%
104	0.200%	91.4%
105	0.200%	91.2%
106	0.200%	91.0%
107	0.200%	90.9%
108	0.200%	90.7%
109	0.230%	90.5%
110	0.230%	90.3%
111	0.230%	90.1%
112	0.230%	89.9%
113	0.230%	89.6%
114	0.230%	89.4%
115	0.230%	89.2%
116	0.230%	89.0%
117	0.230%	88.8%

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In re Honda Idle Stop Litigation
Development of Scrappage Rate
Class Vehicles

Month	(1) Scrap Rate	(2) Vehicles Remaining
118	0.230%	88.6%
119	0.230%	88.4%
120	0.230%	88.2%
121	0.360%	87.9%
122	0.360%	87.6%
123	0.360%	87.3%
124	0.360%	86.9%
125	0.360%	86.6%
126	0.360%	86.3%
127	0.360%	86.0%
128	0.360%	85.7%
129	0.360%	85.4%
130	0.360%	85.1%
131	0.360%	84.8%
132	0.360%	84.5%
133	0.554%	84.0%
134	0.554%	83.5%
135	0.554%	83.1%
136	0.554%	82.6%
137	0.554%	82.2%
138	0.554%	81.7%
139	0.554%	81.3%
140	0.554%	80.8%
141	0.554%	80.4%
142	0.554%	79.9%
143	0.554%	79.5%
144	0.554%	79.0%
145	0.620%	78.5%
146	0.620%	78.1%
147	0.620%	77.6%
148	0.620%	77.1%
149	0.620%	76.6%
150	0.620%	76.1%
151	0.620%	75.7%
152	0.620%	75.2%
153	0.620%	74.7%
154	0.620%	74.3%
155	0.620%	73.8%
156	0.620%	73.3%

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In re Honda Idle Stop Litigation
Development of Scrappage Rate
Class Vehicles

Month	(1) Scrap Rate	(2) Vehicles Remaining
157	0.690%	72.8%
158	0.690%	72.3%
159	0.690%	71.8%
160	0.690%	71.3%
161	0.690%	70.8%
162	0.690%	70.4%
163	0.690%	69.9%
164	0.690%	69.4%
165	0.690%	68.9%
166	0.690%	68.4%
167	0.690%	68.0%
168	0.690%	67.5%
169	0.723%	67.0%
170	0.723%	66.5%
171	0.723%	66.0%
172	0.723%	65.6%
173	0.723%	65.1%
174	0.723%	64.6%
175	0.723%	64.2%
176	0.723%	63.7%
177	0.723%	63.2%
178	0.723%	62.8%
179	0.723%	62.3%
180	0.723%	61.9%

(1) Scrap rate pattern used from NHTSA Vehic
report adjusted for average vehicle age of
(2) Month 1: 1-(1) | Months 2+: [1 - (1)] x Prev

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In re Honda Idle Stop Litigation
Development of Inflation Rates

Current CPI	442.84

Quarter	(1) Historic Quarterly CPI	(2) Quarterly Implied Annual Inflation
201301	260.047	
201302	260.922	1.4%
201303	262.562	2.5%
201304	263.033	0.7%
201401	264.129	1.7%
201402	265.059	1.4%
201403	266.556	2.3%
201404	268.357	2.7%
201501	268.971	0.9%
201502	270.564	2.4%
201503	271.044	0.7%
201504	272.287	1.8%
201601	273.383	1.6%
201602	275.253	2.8%
201603	275.771	0.8%
201604	276.998	1.8%
201701	279.635	3.9%
201702	279.951	0.5%
201703	280.765	1.2%
201704	282.955	3.2%
201801	283.664	1.0%
201802	284.99	1.9%
201803	287.152	3.1%
201804	289.625	3.5%
201901	292.326	3.8%
201902	295.174	4.0%
201903	297.234	2.8%
201904	299.266	2.8%
202001	302.154	3.9%
202002	305.229	4.1%
202003	307.108	2.5%
202004	309.469	3.1%
202101	312.316	3.7%
202102	314.85	3.3%
202103	319.66	6.3%

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In re Honda Idle Stop Litigation
Development of Inflation Rates

	Current CPI	442.84
	(1)	(2)
202104	324.953	6.8%
202201	328.857	4.9%
202202	335.017	7.7%
202203	349.764	18.8%
202204	362.917	15.9%
202301	372.739	11.3%
202302	379.089	7.0%
202303	390.259	12.3%
202304	393.227	3.1%
202401	399.34	6.4%
202402	405.396	6.2%
202403	407.92	2.5%
202404	416.443	8.6%
202501	421.303	4.8%
202502	426.79	5.3%
202503	438.811	11.8%
202504	442.84	3.7%
	AVERAGE	
	Last 10 Years	5.1%
	Last 7 Years	6.3%
	Last 5 Years	7.5%
	Last 4 Years	8.1%
	Last 3 Years	6.9%
	Last 2 Years	6.2%
	Last Year	6.4%
(3)	Selected Future	6.0%

(1) CPI-U: Table 7: Motor vehicle maintenance and repair
(2) [(1) ÷ previous quarter's (1)] ^ 4 - 1
(3) Selected Future Annual Inflation Rate

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In re Honda Idle Stop Litigation
Appedix: Data Used

Publicly Sourced Data:

(1) NHTSA Technical Report: Vehicle Survivability and Travel Mileage Schedules
DOT HS 809 952
January, 2006
Table 1
crashstats.nhtsa.dot.gov/Api/Public/ViewPublication/809952

(2) Federal Reserve Economic Data, Federal Reserve Bank of St. Louis
Consumer Price Index for All Urban Consumers
Motor Vehicle Maintenance and Repair in U.S. City Average, Index 1982-1984=100
Quarterly, Seasonally Adjusted
Data downloaded: 11/25/2025
fred.stlouisfed.org/series/CUSR0000SETD

(3) NHTSA Recalls by Manufacturer
Honda (American Honda Motor Company)
Reports Received from 1/1/2015-12/31/2024
data.transportation.gov/stories/s/38mw-dp8u

(4) 2004–2006 Puget Sound Traffic Choices Study
nlr.gov/transportation/secure-transportation-data/tsdc-puget-sound-traffic-study

Data Provided by Counsel:

(1) VIN Count of SB Starter Replace Performed
Replacements from 7/2/2025-3/11/2026

(2) VIN Lists for Recall and Additional Vehicles

(3) AHM Claim Data

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Work Experience

Kerper and Bowron LLC
Birmingham, AL
Principal
March 2001 - Present

Representative Expert Work

Relevant Cases
MINERVA MARTINEZ, et al v. NISSAN NORTH AMERICA, INC.
SHARON CHENG, et al v. TOYOTA MOTOR CORPORATION
KIM SEGEBARTH, et al v. CERTAINTEED CORPORATION
TERI CALLEN, et al v. DAIMLER AG and MERCEDES BENZ USA, LLC
TERESA STRINGER, et al v. NISSAN OF NORTH AMERICA, INC, and NISSAN MOTOR CO., LDT
QUACKENBUSH, et al v. AMERICAN HONDA MOTOR CO.
LESLEY CONTI, et al v. AMERICAN HONDA MOTOR CO.
JIMMY BANH, et al v. AMERICAN HONDA MOTOR CO.
RAFAEL SUAREZ, et al v. NISSAN NORTH AMERICA, INC.
STEVE CHAMBERS, et al v. WHIRLPOOL CORPORATION
EMILY PINON, et al v. DAIMLER AG and MERCEDES BENZ USA, LLC
CHRISTOPHER GANN, et al v. NISSAN NORTH AMERICA, INC
CHEYNE NORMAN, et al v. NISSAN NORTH AMERICA, INC.
PATRICIA WECKWERTH, et al v. NISSAN NORTH AMERICA, INC.
KENAI BATISTA, et al v. NISSAN NORTH AMERICA, INC.

- Founded consulting firm in March 2001. Clients include insurance companies, state governments, reinsurance companies, managing general agencies and law firms.
- Coinventor with John Kerper, FSA, MAAA of “Kerper Bowron Method” which is a patent pending system of accounting and capital management for service contracts. Peer-reviewed article published in February 2026 by *Risks MDPI*.
- Practice focuses on extended service contract, GAP, and captive market. Representative projects include:
  - Statutory Loss Reserve Opinions of approximately 2 billion in gross loss and premium reserves in 2024
  - Product development for major auto service contract companies

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- Evaluation of liabilities for a major risk retention group for auto service contract
- Auto service contract rate filings for a major auto service contract company
- Development of pro-forma and reinsurance captive accounting for a regional service contract company
- Acquisition due diligence for purchase of a service contract writer.
- General management and strategic planning for reinsurance accounting function

The General Auto Insurance, Nashville, TN

February 1999 – February 2001

Vice President and Chief Actuary

September 1993 – February 1999

Actuary

Broad responsibility for reserving and pricing for a book of private passenger, reinsurance, and captive operations. Managed the staff of both the product management and the actuarial department.

- Developed data warehouse.
- Reported to the CEO and participated in strategic planning, reinsurance strategies and information system implementations.
- Supervised the pricing and product development of a new non-standard program in several states.
- Responsible for all actuarial activities of the company, including ratemaking, reserving and statistical reporting.
- Assisted in acquisitions and negotiated loss portfolio transfer of reserve liabilities.

Alfa Insurance Companies, Montgomery, AL
July 1990 – August 1993

Actuarial Analyst

- Ratemaking for second largest insurer in the state of Alabama

Professional Activities

Associate, Casualty Actuarial Society Member, American Academy of Actuaries

Approved Actuary for Captive Feasibility Studies, Alabama, Oklahoma, Tennessee, South Carolina, and the District of Columbia

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Activity	Date
Public Relations Committee, CAS	2026
Committee Member, CAS CASE Competition Committee	2018-2025
Speaker - Actuarial Symposium	2013-2024
Credit Insurers Association (CIA) Annual Meeting	2019,2021,2022
Speaker, Southwest Actuarial Forum	Spring 2008
Speaker, Quebec Actuarial	Spring 2008
Speaker, Casualty Actuaries of the Southeast	Fall 1998, March 2001, Fall 2007
Speaker, CAS Annual Meeting	Fall 2007
Speaker, Midwest Actuarial Forum	Fall 2007
Panelist, Ratemaking Seminar	2001-2002
Former Chair, CAS Open-Source Software Committee	
Former Member, Casualty Actuarial Exam Committee	

Publications

Title	Publisher	Year	Month
The Kerper–Bowron Method: A Foundational Change for Service Contract Claim Estimation and Accounting	Risks MDPI	2026	February
Will ASC 606 Impact Me?	Providers and Administratc	2019	October
Considerations When Designing New Products: An Update July 18, 2018	Providers and Administratc	2018	July
What's Going on With GAP in 2017?	Providers and Administratc	2017	Novembe
What's Going on With GAP?	Providers and Administratc	2016	Novembe
VSCs in 2016: New Terms, New Costs	Providers and Administratc	2016	July
Does the IRS Notice 2016-66 Impact You?	Providers and Administratc	2016	April
GAP Insurance—Techniques and Challenges	Casualty Actuarial Society	2011	
Month-to-Month Vehicle Service Contracts	Providers and Administratc	2011	October
An Exposure Based Approach to Automobile Service Contract Ratemaking and Reserving	Casualty Actuarial Society	2006	
Zipf's Law	Contingencies	2004	
Ratemaking for Maximum Profitability	Ratemaking Discussion For	2001	
Staying in the Race	Best's Review	2001	

Education

BS, Mathematics, 1989

University of the South Sewanee, TN

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