the highway loss reduction

STATUS REPORT

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Wide Differences Found

Car-By-Car Crash Cost Data Analyzed

A study sponsored by four major insurance companies has found that damage repair estimates generated by actual insurance claims for 70 car models averaged from more than \$280 for the least expensive model to repair, to more than \$520 for the most expensive to repair.

The study found Chrysler's Dodge Coronet and Plymouth Satellite to have the lowest average estimated repair costs, at \$282 each. Damage repair estimates for all models involved in the study averaged \$321. The study ranked General Motors' Chevrolet Corvette as the most expensive to repair, with an average repair estimate of \$522. (A chart showing the study's repair estimate findings on a model-by-model basis is provided on pages 3 and 4.)

Conducted by Allstate Insurance Co., Kemper Insurance Co., Liberty Mutual Insurance Co. and State Farm Mutual Insurance Co. in cooperation with the American Mutual Insurance Alliance the study concentrates on the costs of repairing various makes and models of cars after crashes. It does not deal with the important factor of how frequently various makes and models are involved in crashes. It is conceivable that a given car that is, on the average, comparatively expensive to repair could have a low crash rate making it less expensive to insurers and the public than other less expensive to repair models with higher crash frequencies.

According to the researchers, the study consists of "a representative body of detailed information

-Inside -

- Congress Approves NHTSA's Vehicle Safety Funds ... Page 2
- Model-by-Model: How They
 Stack Up
 Pages 3 and 4
- NHTSA Granted Expanded Exemption
 Authority
 Page 5
- Highway Bill Passes Senate,
 Dies in House ... Page 6

on 89,060 crash repair estimates involving 1969, 1970, 1971 and 1972 model cars, on a country-wide basis." The data used in making the study were collected by the four insurance companies "from claims presented to them during late 1971 and early 1972, involving both collision and property damage liability coverages," the report says. (As it explains, "Collision insurance is purchased by car owners to pay for crash damage to their own cars, including single-vehicle accidents. Property damage liability coverage is purchased to pay for damage the car owner may negligently inflict on someone else's car or property.")

The report cautions that, "Further adjustments would be necessary to make the sample representative of the total population of vehicle damage, since some damage is not reported to insurance companies because the car is not insured, the amount of damage falls within the collision deductible, or the vehicle owner just doesn't bother to file a claim."

The estimates were made by "experienced automotive damage appraisers" who "inspected the damaged vehicles at company drive-in service centers or at repair garages." The appraisers used "automotive parts and labor manuals in the same way garage appraisers use them in preparing repair cost quotations," the report says. Repair estimates for "pick-up trucks, recreational vehicles and miscellaneous foreign makes" as well as estimates that "contained errors or omitted part of the required data" were not included in the study, the report says.

The study found that, "The 1972 model cars are more expensive to repair than earlier models. Repairs on the 1972 models in this study cost an average of \$339, about 6 per cent higher than repairs recorded for 1971 models during the same time period, and about 8 per cent higher than repairs on the 1969 models."

From these and other data found in the study, the researchers concluded that:

- "The finding that approximately 60 per cent of all crashes reported to insurance companies produce damage to one or both bumpers calls attention to the bumper itself as a significant producer of crash repair costs."
- "The finding that front and rear ends are involved about equally in low-speed crashes provides economic justification for designing low-speed crash protection at the rear as well as at the front of future car models."
- "The fact that fenders and quarter panels are damaged even more frequently than bumpers, and require expensive repairs, indicates a need for better protection of these vulnerable, high-cost components."

The study points out that "current Department of Transportation bumper standards for 1973 deal only with square front and square rear impacts, and the corner provisions originally proposed were postponed and severely weakened."

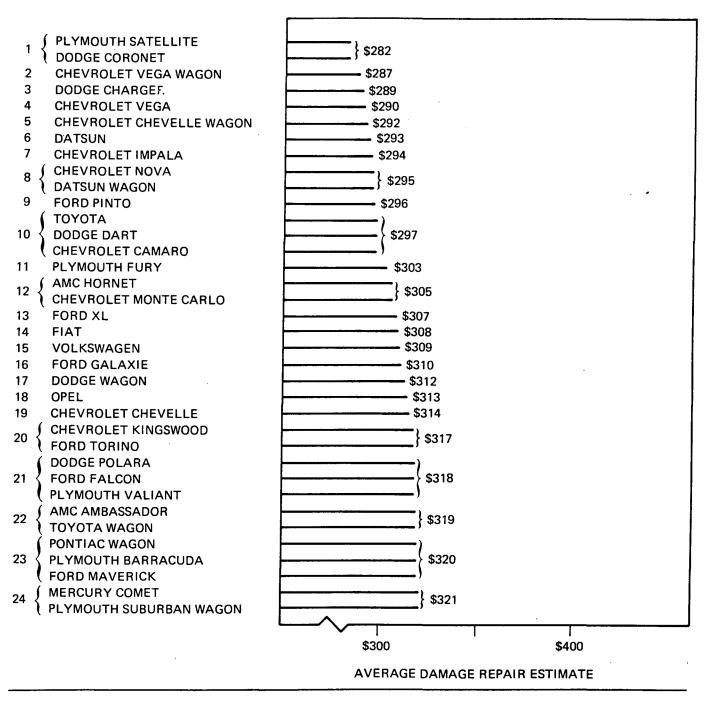
Congress Passes Vehicle Safety Funds

In hurried action before final adjournment, the Congress approved the National Highway Traffic Safety Administration's current-year budget request for its motor vehicle programs, but at a level lower than requested by the administration. Funding for the 1973 fiscal year had been held up earlier by Senate delay in authorizing additional expenditures under the National Traffic and Motor Vehicle Safety Act of 1966. (See *Status Report*, Vol. 7, No. 18, Oct. 2, 1972.)

Initially NHTSA had requested an authorization of \$37.5 million for its fiscal year 1973 motor vehicle programs. The House and Senate Commerce committees disagreed on the authorization level; the House committee approved NHTSA's \$37.5 million request, while the Senate committee authorized \$52.7 million — \$15.2 million more than NHTSA requested. A House-Senate conference committee agreed on an authorization of \$52.7 million, which both bodies approved.

A similar disagreement then arose between the House and Senate Appropriations committees. The House committee voted to appropriate \$32.2 million for NHTSA's motor vehicle programs, while the (con't on page 3)

AVERAGE DAMAGE REPAIR ESTIMATE BY MODEL



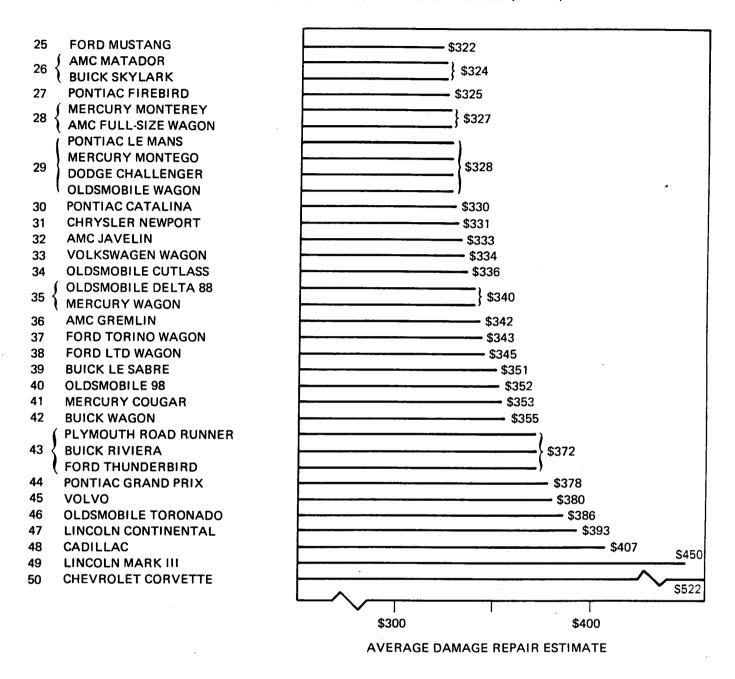
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Senate committee voted to make \$37.3 million available. A House-Senate conference committee resolved the difference. Both the House and Senate subsequently passed an appropriation of \$33 million.

The final appropriation, which is \$4.5 million less than NHTSA originally requested, is \$2.3 million more than was appropriated last year for NHTSA's motor vehicle programs.

In honing down NHTSA's budget request, the Congress eliminated the \$2 million NHTSA planned to use for equipping fleet vehicles with recorders which measure crash speeds. The Congress also established the following funding levels:

AVERAGE DAMAGE REPAIR ESTIMATE BY MODEL (Cont'd)



(con't from page 3)

- \$1 million for occupant packaging research, \$200,000 less than NHTSA requested;
- \$500,000 for the passive restraint fleet test; NHTSA had requested \$1 million;
- \$5.5 million for the Experimental Safety Vehicle program, an \$800,000 reduction in NHTSA's request;
- \$3.5 million for the standards enforcement and defects investigation contract program, a cut of \$500,000 from the request;

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• \$4.9 million for accident investigation and data analysis, which reduced NHTSA's request by \$118,000.

In addition, the Congress eliminated NHTSA's request for 13 additional staff positions for its compliance test facility.

The Congress also gave NHTSA authority to commit an additional \$10 million for state highway safety programs conducted under the Highway Safety Act of 1966. NHTSA had sought \$35 million to supplement the \$85 million that the Congress had already approved for such programs. (See *Status Report*, Vol. 7, No. 18, Oct. 2, 1972.)

NHTSA Administrator Douglas Toms told the Congress that the requested \$35 million would have been used for "increased traffic law enforcement" supplemented with "parallel programs of public information and judicial countermeasures" in order to prevent an increase in highway deaths of "intolerable proportions." NHTSA's latest estimates project "57,250 to 57,500" highway deaths in 1972 as compared to "54,700 in 1971," according to Toms.

NHTSA Exemption Authority Expanded

The Congress has renewed and expanded NHTSA's power to grant a manufacturer an exemption from a federal vehicle safety standard. As with the old exemption authority, there is no limit to the number of standards from which a manufacturer can request exemption. The amendment to the National Traffic and Motor Vehicle Safety Act of 1966 which expanded NHTSA's exemption power was contained in the bill authorizing funds for NHTSA's motor vehicle programs.

Under its former exemption authority, which expired in April, 1971, NHTSA had the power to exempt a manufacturer of 500 or less vehicles from complying with a federal safety standard.

The new authority creates four classes of exemptions. A manufacturer of 10,000 or fewer vehicles can obtain an exemption for up to three years, if it can show that compliance with a standard would cause "substantial economic hardship" and that it has made a "good faith" effort to comply with each standard from which it is seeking exemption. According to an NHTSA official, manufacturers who have previously produced 10,000 or fewer vehicles include Checker, Avanti, Stutz, Ferrari, Lotus, Lamborghini, Jensen and Bentley.

A manufacturer may also seek an exemption of up to two years for three other groups of vehicles for each of the following reasons:

- Exemption would allow for development or field testing of a vehicle with new safety features.
- Exempting a vehicle would aid the development of field testing of a low emission vehicle and the exemption would not "unreasonably degrade" the vehicle's safety.
- Compliance would prevent a manufacturer from selling a vehicle whose "overall level of safety" is equivalent to or exceeds the level of safety of nonexempt vehicles.

A total of 2,500 vehicles could be exempted for each category.

Highway Bill Dies In House After Passing Senate

In eleventh hour congressional activity, the Federal Aid Highway Act of 1972 was unexpectedly reported out of a House-Senate conference committee. Earlier the conference committee had said—as carried in *Status Report*—that it could not agree on a compromise bill. (See *Status Report*, Vol. 7, No. 19, Oct. 16, 1972.)

The conference bill passed the Senate, but died in the House due to lack of a quorum.

Among the provisions of the conference bill was an authorization of \$100,000 per year for fiscal years 1974 and 1975 for projects to eliminate hazards at highway locations with a high crash frequency. In addition, an authorization of \$150,000 to cover both fiscal 1974 and 1975, was proposed for programs to eliminate roadside boobytraps.

AMA Now MVMA

The Automobile Manufacturers Association has changed its name to the Motor Vehicle Manufacturers Association of the United States, Inc.

According to the organization "the new name was adopted to more accurately reflect the breadth of membership of the association."

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