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Vehicle Safety Features Lead to Improved Claim Outcomes

MALVERN, Pa.— A new study by the Insurance Research Council (IRC) details the steady incorporation of front and side airbag systems in motor vehicles and documents the beneficial impact of this trend on auto injury insurance claim costs. The study examined the type of passenger restraint system found in insured vehicles in a sample of 2007 closed auto injury insurance claims and looked at differences in the extent of injuries and subsequent claim payments.

The report found a rapid transition from seatbelts only to front and side airbag systems as model years advanced within the sample of vehicles involved in 2007 personal injury protection (PIP) claims. Among vehicles from model year 1990, 80 percent had seatbelts but no airbags, and 20 percent had front airbags. Among 1998 model year vehicles, all vehicles were equipped with airbags—89 percent had front airbags only and 11 percent also included side airbags. Among vehicles from model year 2007, 82 percent had front and side airbags.

The presence of front and side airbag systems was associated with less significant injuries and lower claim costs. Claimants injured in vehicles with front and side airbags were less likely than those in vehicles with seatbelts only or seatbelts and front airbags only to have serious injuries, to receive hospital treatment, or to experience a period of disability or fatality. As a result, airbag systems were associated with markedly lower injury claim costs. The average PIP payment for claims from vehicles with seatbelts but without airbags was \$6,994, 32 percent higher than the \$5,308 average for vehicles with front airbags and 57 percent higher than the \$4,457 average for vehicle with both front and side airbags.

“Motor vehicles are becoming safer, and these improvements are having a noticeable impact on the seriousness of injuries and the ultimate cost of auto injury claims. These favorable trends have helped offset some of the pressure caused by the accelerating cost of medical treatment for auto injuries,” said Elizabeth Sprinkel, Senior Vice President of the IRC.

The report, *Vehicle Characteristics and Auto Injury Claims*, is based on more than 14,000 first-party auto injury insurance claims with valid vehicle identification numbers (VINs). VIN analysis was provided by the Insurance Institute for Highway Safety (IIHS). Twenty-two insurers, representing 57 percent of the private passenger auto insurance market in the United States in 2006, participated in the study.

For more detailed information on the study's methodology and findings, contact David Corum by phone at (610) 644-2212, ext. 7506; by fax at (610) 640-5388; or by e-mail at irc@cpcuiia.org. Or visit IRC's Web site at www.ircweb.org. Copies of the study are available at \$125 each in the U.S. (\$140 elsewhere) postpaid from the IRC, 718 Providence Road, Malvern, Pa. 19355-0715. Phone: (610) 644-2212, ext. 7569; Fax: (610) 640-5388.

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